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Automotive News

August 16, 1982

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57th year—$40 per year, $1.00 per copy

Outlet count slips only 23 in first half, despite high interest, quotas, recession

Import dealer total holds firm against odds

By Kathleen Hamilton
News Editor

The import-car dealership population held steady during the first half of 1982—a remarkable feat, considering the heavy losses in the ranks of the domestic dealers, a depressed market, quotas and interest rates that hit import dealers especially hard because they generally don't have captive finance companies.

The midyear AUTOMOTIVE NEWS census showed 11,247 dealerships handling imports on July 1—only 23 fewer than when the year began.

That represents a loss of only 0.2 percent in the import-dealership total. By contrast, the domestic dealer population declined 2.5 percent in the first half (AUTOMOTIVE NEWS, Aug. 9).

Adding import and domestic stores together and subtracting the duals, the new-car dealership total in the U. S. at midyear stood at 25,189. That was down 514, or 2.0 percent, from the Jan. 1 total.

An analysis of the import dealer census shows domestic dealers are turning to imports a little less frequently. The number of import-domestic duals dropped by 65 during the first half.

• The decline was evident among dealers carrying both captive imports and non-captives. Captives are the import makes built by companies owned in part by a U. S. maker and whose U. S. distribution is controlled by the U. S. partner.

The cars Mitsubishi builds for Chrysler Corp. (Dodge Colt and Challenger and Plymouth Champ and Sapporo) qualify as captives, but the Renaults distributed by American Motors and the German-sourced Volkswagons don't.

VW dealers are counted as domestics because of the preponderance of their products are Pennsylvania-built Rabbits.

The decline in the number of import-domestic duals was partially offset by an increase in the number of import-only stores. Single-line import dealers numbered 35 more on July 1 than at the start of the year, a gain of 1.3 percent. Import-only duals were up one-half of a percent (7 outlets).

The import-only total was 4,065 at midyear, up from 4,023 on Jan. 1. The rest of the import outlets — 7,182 on July 1

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Ford's new look

Slippery new T-Bird, Cougar bow in '83

Sleek silhouettes are replacing the boxy look at Ford Motor Co., as evidenced by the all-new 1983 Ford Thunderbird and Mercury Cougar (below), which debut in January. The cars feature concealed wipers, limousine-type (extended-height) doors, sloping front ends and increased windshield rake. Smaller and lighter than their 1982 predecessors, the new cars will have a standard 3.8-liter V-6 and automatic transmission. Story on Page 6.

Domestic new-car inventory climbs to 83 days on Aug. 1

By Richard A. Wright
Assistant Managing Editor

The domestic new-car inventory continued to climb during July and the industry opened August with an 83-day supply of U. S.-built new cars, up from 78½ days a month earlier, but still below the 87½-day stockpile on hand on Aug. 1 last year.

The domestic new-car inventory totaled 1,377,130 Aug. 1, which was up slightly from a month earlier, when 1,364,214 units were in stock. The higher days-supply figure was the result of a decline in the selling rate during July.

A year ago, the domestic inventory totaled 1,675,192 units, an 87½-day supply.

While the domestic supply was climbing, the imported-car inventory declined a bit during July, both in days supply and unit count. On Aug. 1, the inventory of new imported cars in the U. S. totaled 429,663, a 56-day supply, down from 438,113 a month earlier, a 57-day stockpile.

• The increase in the domestic inventory during July was almost entirely due to a buildup by General Motors. Volkswagen of America also increased in both unit count and days supply, but the increases were small.

GM added about 70,000 units during the month, however, and its inventory jumped from 79 days July 1 to a hefty 90 days Aug. 1. Front-drive vehicles were generally in heavy supply at GM, while stocks of the new Camaro and Firebird and the older-design rear-drive intermediates were relatively lean.

Volkswagen opened August with a 110-day supply of U. S.-built Rabbits, up from 105 days a month earlier. VW also had a 221-day stock of imported cars.

Ford Motor Co., Chrysler Corp. and American Motors all trimmed their inventories during July. Ford opened August with a 71-day supply, down from 75 days a month earlier.

Chrysler Corp. had a 79-day stock Aug. 1, down from 83 days a month earlier, and AMC had the leanest stockpile of the corporate makers, at 58 days, down from 65 days.

The Aug. 1 domestic inventory was divided this way: GM, 61.84 percent; Ford Motor Co., 22.33 percent; Chrysler Corp., 12.06 percent; VWoA, 2.42 percent, and AMC, 1.35 percent.

A month earlier, the domestic inventory was divided as follows: GM, 57.53 percent; Ford Motor Co., 25.69 percent; Chrysler Corp., 13.03 percent; VWoA, 2.32 percent, and AMC, 1.43 percent.

By size class, subcompacts and luxury cars both opened August with lower supply figures

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Some nameplates in very short supply

Import stockpile dips to 56 days

By Richard A. Wright
Assistant Managing Editor

The inventory of new imported cars in the U. S. dipped a bit during July to a 56-day supply Aug. 1, compared with a 57-day stockpile July 1.

The inventory of new imported cars totaled 429,663 Aug. 1, compared with 438,113 a month earlier. While the domestic industry moved into what used to be the cleanup period with a heavy 83-day supply, import stocks were actually a bit short for that time of year.

The inventory of new imported pickups totaled 170,969, a 132-day supply, which was also off from a month earlier, when it totaled 175,262, a 154-day stock.

The combined imported car and truck inventory Aug. 1 totaled 600,632 units, a 67-day supply, compared with 613,375 on July 1, a 70-day supply.

The combined domestic and imported new-car inventory was a 75-day supply Aug. 1, up from a 72-day supply a month earlier.

• Honda and Toyota continued to carry very lean supplies Aug. 1, as did Mercedes-Benz and Porsche. All those nameplates

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breaking news

Electronic control of aero drag nears

CLEVELAND.—Intelligent suspension systems are getting closer. They will change a car's attitude (running angle) as its speed changes for optimum aerodynamics. It all depends on availability of "smart sensors" backed by dedicated microcomputers. "Few actual devices have been realized to date but current development work promises availability of these devices in the near future," an officer of Eaton Corp. said.

Chrysler, Perkins team up for diesels

WINDSOR, Ont.—Chrysler Canada, Ltd., and Perkins Engines Group of Massey-Ferguson last week announced a joint subsidiary, as yet unnamed, to build 2.2-liter four and 3.7-liter turbocharged six-cylinder diesel engines at Chrysler's idle engine plant here, beginning in 1984. Partial funding is coming from Canadian governments for the $367 million project, which will provide 1,000 jobs when the plant reaches planned capacity of 240,000 units in 1988. Maximum capacity is 350,000 units. Some components will come from Chrysler's Trenton (Mich.) engine plant. Plant start-up will be with the 3.7-liter (based on Chrysler's 225-CID slant six) for use in 1985-model light trucks and vans. The 2.2-liter diesel will be used first in 1986-model front-drive cars and the new T-115 vans.

Steel shipments in U. S. lag badly

WASHINGTON.—Domestic steel shipments fell 30 percent from year-earlier levels in the first half, the American Iron & Steel Institute said. The industry's unemployment rate is about 37 percent, the trade group said.

University of Michigan is bullish; Goldman Sachs is not

1983 new-car sales outlook: Good? Bad? (Check one)

Depending upon which survey you read, the auto industry is either going to show considerable improvement next year or it is going to continue plodding along at its current depressed rate.

Two such reports were issued last week. The University of Michigan was quite bullish. Goldman Sachs Research, the research arm of the investment banking firm, didn't see things in so favorable a light.

The U. of M. study sees new-car sales recovering to an annual rate above 8.5 million by the end of this year, and it predicts that new autos will be selling at a rate of about 11.25 million units annually by the end of 1983.

Those aren't sales projections for either year, of course. They're an expectation of the sales momentum at the end of those periods.

The U. of M. car-sales data was part of an overall economic forecast presented by Prof. Saul H. Hymans and Joan P. Crary. They said the current recovery from the 1981-82 recession started more slowly than expected but is expected to accelerate in 1983 and continue at least into 1984.

The behavior of consumer purchasing power and business inventories is clearly signaling an economic upturn, they said, "and the recent behavior of interest rates will strengthen and accelerate the recovery."

• The Goldman Sachs report was devoted strictly to the auto industry. It found that the outlook for a pronounced improvement in sales is not promising, either for the remainder of this year or for 1983.

"Our analysis indicates that basic demand will improve, but the improvement is likely to be relatively modest in absolute terms," the company said.

Goldman Sachs estimates that this year's auto production will be 5.48 million, down from 6.25 million in 1981. The 1983 projection is 6.60 million.

While the 1983 figure is higher than 1981's, it must be remembered that 1981—like this year—was a very bad one for the auto industry.

Domestic new-car sales are estimated at 5.77 million this year and 6.50 million in 1983, compared with 6.21 million in 1981. Again, the 1983 improvement would be in comparison with the depression time of 1981 and 1982.

Import-car sales are projected at 2.10 million this year and 2.30 million next year, compared with 2.33 million in 1981.

The domestic-import total is estimated at 7.87 million this year and 8.80 million next year, compared with 8.53 million in 1981.

"Within the domestic market," Goldman Sachs said, "we expect Ford to gain market share on its new compact and intermediate models. Both Gen-

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Industry backers lose key vote in House committee

Hopes fade for Clean Air changes

By Jake Kelderman
Washington Staff Writer

WASHINGTON. — Auto maker's hopes for relief from current and pending tailpipe emission requirements are beginning to evaporate into so much thin air.

The latest indication of that trend came last week as the House Energy and Commerce Committee resumed markup of Clean Air legislation supported by the industry and the Administration after a three-month hiatus.

Committee Chairman John Dingell, Michigan Democrat and one of the leaders of a coalition of Democrats and Republicans supporting the industry's approach, had called the session after having rebuilt his coalition following an April defeat on a critical amendment related to "prevention of significant deterioration" provision of the Clean Air Act.

Much to Dingell's surprise, however, his newly rebuilt coalition proved less solid than expected on the very first issue the committee addressed.

It was unable to beat back a measure sponsored by Rep. James Florio, New Jersey Democrat, and Rep. W. J. (Billy) Tauzen, Louisiana Democrat, that would require the EPA to complete studies of 37 substances that the agency has identified as airborne potential carcinogens within four years or have them automatically listed following appropriate hearings.

Perhaps emboldened by that development, Rep. Henry Waxman, California Democrat and leader of a counter group of Democrats and Republicans who want only a "fine tuning" of the act, promptly declared the industry backed bill "dead."

"If the chairman (Dingell) wants Clean Air legislation this year, he will have to begin talking to us," Waxman said, "or there will be no Clean Air legislation this year."

He may well be right for even though Dingell announced he was fully prepared to meet every day and night to get the legislation through, and even though his coalition appears still solid on the critical issues of acid rain control, mobile sources and percent reduction (a requirement for reducing sulfur emissions from coal-fired power plants), time appears to be running out.

Congress recesses for Labor Day on Aug. 20, does not return until Sept. 8 and then meets only until late October.

That is very little time to get Clean Air legislation through the Energy and Commerce Committee, on the House floor and through a conference with the Senate.

• Furthermore, Waxman has said he will use every parliamentary option open to him to keep the industry-backed bill from even getting out of committee. He has more than 400 amendments to offer in that pursuit.

Thus, the conventional thinking here is that Clean Air legislation will not get through Con-

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Conversions for BMW coupes

The Germany company Tropic, of Stuttgart, plans to build convertible versions of the BMW coupe series 628/633/635 CSi. The conversion includes an electro-hydraulic-operated pleated top and integrated chassis reinforcement.

Nissan may be first with mini van in U. S.

The Big Three auto makers and at least one Japanese importer are said to be prepping new downsized mini vans, some with front-wheel-drive, for introduction in the U. S. as early as mid-1983.

Chrysler Corp. will be the first domestic maker in the minivan business with its T-115 front - wheel - drive passenger/utility van, which bows in early 1984. The T-115 will be built at the Windsor (Ont.) truck plant, beginning in late 1983.

Chrysler's "garageable" van, as it has been called, will be powered by the 2.2-liter K-car engine (It is based on the K-car platform). The diesel version of that engine, which will be built in Windsor in 1985, will also be offered.

Chrysler, however, may not be the first maker to offer a mini-van. Nissan Motor Corp., it was learned last week, has plans to introduce a small van in the U. S., perhaps by mid-1983.

The Nissan van, which will be introduced soon in Japan as the Prairie (it may not be called that in the U. S.), is based on the front-drive Stanza platform and will be powered by either a 1.5-liter or 1.8-liter four-cylinder engine with choice of manual or automatic transmissions.

The Prairie will have a sliding door and seating for five. Overall length is 165.3 inches, width is 66.5 inches and height is 63 inches. Curb weight is projected at 2,200 pounds. Nissan will build about 8,500 Prairie models per month, with 3,000 slated for sale in the U. S.

In appearance, the Prairie resembles a station wagon more than a traditional van. It will be offered only as a passenger vehicle.

• Ford is said to be developing a smaller van for the 1985 model year that is based on its Sierra-codenamed Ranger platform. Like Chrysler's T-115, it would be offered as both a utility van and passenger vehicle. In addition to a small-displacement Ford gasoline engine, the van would also be offered with a 2.3-liter Mitsubishi-built turbo-diesel four.

Ford recently confirmed its plans to buy up to 75,000 turbo-

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58th year — No. 4928

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UAW threatens 'guerrilla' strikes against Chrysler

The UAW has threatened to call one-day "guerrilla" strikes at selected Chrysler Corp. plants if the company stalls in its contract negotiations beyond the Sept. 14 deadline.

Union President Douglas Fraser said a company-wide strike could endanger Chrysler's financial recovery, but that random one-day plant strikes may be used.

The two sides squared off for negotiations July 20, with Chrysler asking for a break on hourly labor costs and the union seeking pay increases and the reinstatement of some benefits that were sacrificed earlier by workers.

N. Y. sues Polyglycoat over warranty claims

By John A. Russell
New York Staff Writer

Charging that Polyglycoat Corp. has refused to honor consumers' warranty claims on its paint sealant and has engaged in false advertising, New York State Attorney General Robert Abrams filed a civil suit against the corporation, seeking restitution for the consumers and penalties for the advertising.

The New York Attorney General's suit, filed in the state's Supreme Court, charged that Polyglycoat has consistently "discouraged, impeded and improperly delayed" consumer warranty claims.

It also alleged that the corporation rejected approximately 50 percent of all warranty claims for "defective paint" although, according to the suit, this determination was generally made without any tests of the paint and without any inquiry to the automobile's manufacturer.

The action, according to the attorney general's office, culminates a two-year investigation during which the office received nearly 100 complaints.

• In a prepared statement, Gloria Fiveson, president of Polyglycoat World Enterprises, said, "The attorney general's charges are without merit. Our advertising has met all of the requirements. We have repeatedly volunteered to handle and satisfy all justifiable and outstanding complaints.

"The attorney general cannot hold us responsible for the actions of some local auto dealers who make claims beyond our warranty."

The suit alleges the company denies warranty claims blaming road stones or rust for damage to the car's finish. These determinations are made summarily and fraudulently to avoid valid warranty claims, the attorney general charged.

On the false advertising charge, the attorney general alleged the company falsely advertised that its paint sealant eliminates the need for waxing when the warranty stipulates that the consumer must regularly apply a polishing compound to the entire painted surface and then buff it.

According to the attorney general, this is "indistinguishable from waxing." He said that failure to apply this compound every three months voids the warranty.

The suit seeks restitution for the consumers which could amount to $200,000. It is also seeking civil penalties for deceptive advertising and an order barring fraudulent and misleading business practices and a guarantee that the company will provide fair and timely response to warranty claims.

Dealers adopt AUTOCAP in Northern California

SAN FRANCISCO.—Northern California's new-car dealers have adopted AUTOCAP, the complaint-resolving program created by NADA.

Locally, AUTOCAP is sponsored by the Northern California Motor Car Dealers Assn. It has been endorsed by 17 auto manufacturers. More than 11,000 dealers in 35 states participate in the AUTOCAP program, and it is already active in San Diego and Los Angeles.

Winning mechanic gets use of S-10

George Huening, second from left, chief mechanic for Indy 500 winner Gordon Johncock, is shown in front of the S-10 compact pickup which he will have the use of for a year, courtesy of Chevrolet. With him, from left, are Robert B. Haag, Chevrolet's Indianapolis zone truck manager; John N. Capaella, assistant zone manager, and Russ Thomas, general manager, Dave McIntire Chevrolet, where the S-10 was processed.

Huge fuel savings seen with wider 'twin' use

MYRTLE BEACH, S. C.—Richard L. Few, chairman of the American Trucking Assns. has predicted that if the 15 states that currently bar the "proven-safe and efficient 65-foot twin-trailer combinations" were to allow them, the nation would save 80 million gallons of fuel annually.

Few, speaking before the 34th annual meeting of the Multistate Reciprocity Committee here, said, "We are not asking for special consideration. We are asking only for just consideration."

He blamed certain railroads for waging "war against the trucking industry," while creating campaigns against the trucking industry's attempts to seek reasonable improvements in productivity.

"It is ironic that railroad-owned trucks take full advantage of the maximum weight allowances in all states where they operate," Few said. "They also use multiple combinations wherever allowed."

He cited a U. S. Supreme Court ruling—in striking down bans against the 65-foot combinations in Wisconsin and Iowa—that declared them as safe, if not safer, than the tractor-semitrailer units.

• Few said federal legislation has been introduced that would have the effect of mandating the 65-foot twin trailers in every state.

However, he noted, that bill is in limbo at the moment because it also included increases in federal highway-user taxes, which the administration will not go along with at this time.

Few said the 15 states that do not allow use of the "money-saving, fuel-efficient" units are

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Truck calendar

Sept. 20-23—Assn. of Diesel Specialists, convention & exhibition, Caesars Palace, Las Vegas.

Oct. 10-13—Recreation Vehicle Dealers Assn. of North America, annual convention, Marriott Hotel, Nashville.

Oct. 18-20 — Truck Body & Equipment Assn., 35th annual convention and exposition, Stouffer's Cincinnati Towers and Cincinatti Convention Center, Cincinnati.

Oct. 17-20 — American Trucking Assns., annual convention, Hotel Bonaventure, Los Angeles.

Oct. 31-Nov. 2 — TRUCKCAN 1982, International Center, Toronto.

Nov. 8-12—SAE National Truck Meeting, Indianapolis Hilton, Indianapolis.

Nov. 30-Dec. 3 — 20th annual show, Recreation Vehicle Industry Assn., Kentucky Fair & Exposition Center, Louisville.

1983

Feb. 6-10 — Truck Renting & Leasing Assn., fifth annual convention, Doral Country Club, Miami, Fla.

Feb. 6-9 — National Truck Equipment Assn., 19th annual convention, Las Vegas Hilton, Las Vegas.

March 23-25 — International Trucking Show, Anaheim Convention Center, Anaheim, Calif.

April 9-12 — NADA American Truck Dealers, 20th annual convention and exposition, Sheraton Hotel, Boston.

Former IH executive buys Oregon branch

PORTLAND, Ore. — Ralph Nienas, former national fleet sales manager for International Harvester, has purchased the IH branch here, and said he intends to "do about $13 million sales volume the first year." Harvester, in financial difficulties, is selling off many of its outlets.

Nienas has 46 employes in sales, services and parts. Parts inventory is in excess of $1 million, Nienas said, and he added that he plans to keep as many as 50 new trucks on the 6.9-acre site.

truck industry news

July deliveries show gain of 7.3 percent

7-month Big 3 truck sales up 16 pct.

Retail sales in July by Big Three truck dealers were 7.3 percent higher than last year, with Ford the only one of the four makes showing a decline in deliveries from the same month in 1981.

During the month, 156,673 new trucks were retailed in the U. S., compared with 145,973 units a year ago.

The seven-month total was up 16.6 percent, with significant increases by all Big Three manufacturers. The total through July was 1,270,762, compared with 1,089,514 last year.

Sales of Big Three light trucks for both the month and January-July period showed good gains over a year ago, while big trucks—mediums and heavies—continued to decline.

In July, light-truck sales totaled 147,719 units, an increase of 9.2 percent over last year's 135,265. The seven-month Big Three total was 1,211,195, up 18.3 percent over the year-earlier 1,023,958 units.

Big Three dealers retailed 8,954 big trucks during the month, down 16.4 percent from the year-ago 10,708 units, while big-truck sales through July were off 9.1 percent, from 65,556 units in 1981 to 59,567 this year.

• Ford dealers outsold Chevrolet outlets for the second consecutive month in July, and narrowed Chevrolet's lead for the calendar year to less than 20,000 units.

In July, 58,810 Ford trucks were retailed, off 3.2 percent from the year-ago 60,774 units. For the seven-month span, however, sales were up by 7.9 percent, from 442,649 units a year ago to 477,659.

Chevrolet dealers retailed 56,141 new vehicles during the month, a gain of 2.3 percent over last year's 54,865 units. Through July, the count was 495,649, an increase of 17.6 percent over the year-earlier 421,399.

Sales of both the Ford Courier and Chevrolet LUV Japanese-built compact pickups continue

Table on Page 18.

to decline in the face of competition from the two producers' domestic rivals—Ford Ranger and Chevrolet S-10.

In July, Ford dealers retailed 2,785 Couriers, compared with 4,696 a year ago, and the seven-month total dropped from 39,350 units in 1981 to 20,695.

LUV sales in July dropped to 1,300 units, compared with 3,936 a year ago. Through July, only 15,444 units were retailed, down from the year-earlier 43,340.

During the month, Chevrolet

Continued on Page 18, Col. 3

All-electronic dash has big future, Bendix says

ELYRIA, O.—Truckers of the future will guide their rigs cross-country with the help of an on-board computer that will tell them virtually everything they need to know except when to take coffee breaks.

That's the prediction of Guy Rini, project engineer for Bendix Corp.'s Heavy Vehicle Systems Group, which has been developing an advanced computer-controlled system and electronic instrument panel for medium and heavy trucks.

"We expect to have prototypes in trucks and on off-highway equipment within a year, and we would hope to be in production a few years after that," said Rini.

The all-electronic dashboard and its on-board computer will allow the driver to check constantly key vehicle functions and to call back specific information about a trip, the performance of various vehicle systems and the economy being realized under various driving conditions.

"This is an exciting advance and it opens the door to a huge new market within the trucking industry," said Rini. Bendix foresees a $2 billion truck electronics market by the late 1990s.

In the experimental Bendix system, the electronic panel features three digital vacuum fluorescent displays capable of presenting data on eight vehicle functions.

In the lab system under development here, engine revolutions per minute and highway speed are monitored constantly on two of the displays. But it's the third display which is the most interesting, said Rini.

The third display performs in the following modes:

Standby, in which data appears on the display only in case of emergency or alert. It has the power to sound an audible

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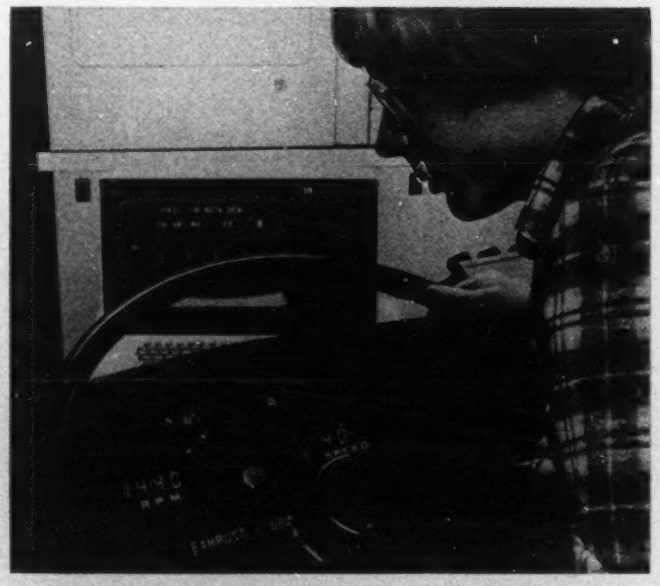

'Smart' truck dashboard

Electronics technician Mark Sabo tests a full-scale mock-up of an electronic instrument panel for heavy trucks being developed at Bendix Corp.'s Heavy Vehicle Systems Group lab in Elyria, O. Digital displays on the instrument panel continuously monitor engine RPM, highway speed and, at the touch of a button, can report the status of 20 or more other functions.

Electronic tach now is offered in Ford mediums

CHICAGO. — An electronic tachometer is now an option on all Ford medium trucks with the Detroit Diesel 8.2-liter diesel.

The tachometer is powered by a non-contact magnetic sensor that detects the movement of flywheel ring-gear teeth on models with manual and automatic transmissions.

Thomas Hitz, Ford product-design engineer, said major advantages of the new tachometer are higher reliability and longer life compared to conventional mechanical designs, plus greater accuracy at low RPMs.

The new tachometer system is being installed on the company's B, C, LN and F-Series trucks.

The 8.2-liter, four-cycle engine has no provision for driving a mechanical tachometer off a cam, blower, or other component, Hitz said.

"All that is provided is a ¾-inch diameter tapped hole through the flywheel housing that is intended for a magnetic or other type of sensor," he added.

The variable-reluctance magnetic sensor selected by Ford was designed specifically for automotive use. Manufactured by Wabash Magnetics, a division of Wabash, Inc., the unit has a tough aluminum housing and internal components that are completely encapsulated against the environment.

The sensor, Hitz said, features a unique magnet-and-coil design that produces a sharp, noise-free, high-voltage pulse when sensing gear teeth, even at low surface speeds.

Automotive News seminar opens Aug. 22

Harbour and Weisel at World Congress

James E. Harbour, co-owner of Harbour and Associates, Inc., Berkley, Mich., and Walter K. Weisel, president and director of Prab Robots, Inc., Kalamazoo, Mich., are among the 34 speakers who will address the 1982 Automotive News World Congress.

The seventh annual World Congress will be held Aug. 22-25 at the Westin Hotel in Detroit. During the four-day seminar, top-level decision makers will gather from all over the globe to exchange ideas on the automotive industry.

The forum will run in tandem with the first annual Automotive News World Expo, an international buy/sell trade fair scheduled for Aug. 24-27 at nearby Cobo Hall.

During a Monday morning session, Harbour will outline the steps that corporate and union management must take in the 1980s to meet the Japanese competitive challenge. On Monday afternoon, Weisel will describe the variety of sophisticated tasks that robots perform in the auto industry.

J. E. Harbour

W. K. Weisel

Harbour has spent 30 years in the automotive industry, 26 years of them as a manager or director in manufacturing, engineering and financial disciplines at Chrysler Corp.

As head of Harbour and Associates, he has been a leader in pointing out the huge advantages that the Japanese auto makers hold over their U. S. counterparts in the area of manufacturing costs.

While serving as director of corporate manufacturing engineering at Chrysler, Harbour directed capacity planning for 42 manufacturing plants, and long-range strategic planning and productivity improvement programs for all plants and divisions in the manufacturing group.

As division controller, Harbour had the responsibility for financial control of design, engineering, manufacturing and worldwide marketing and distribution of commercial products.

Weisel was elected president of Prab Robots in June of this year. Prab is a leader in the field of industrial robots and claims to have the second largest installed base of robots in the world.

He served in the U. S. Navy with responsibility for rocket and computerized warfare systems and served in President Kennedy's People-to-People program for three years.

Later, Weisel joined Cincinnati Milacron, Inc., where for 10 years he held management positions in sales, engineering, service and systems engineering. His last position there was national sales manager of the Electronics Systems Division, which manufactures a full line of NC/CNC controls, mini-computers and peripheral equipment, as well as computer business systems.

In 1972, he went to work for Unimation, Inc., another leading robot manufacturer, as operations manager in charge of sales, application engineering and service. He held that post until joining Prab in 1977.

Weisel is currently president of Robotics International, a society dedicated to the advancement of robotics. In addition, he is first vice president and president-elect (1983) of the Robot Institute of America, the U. S. robot manufacturers' trade association.

One of the highlights of the World Congress will be a Tuesday Evening Gala, to be held Aug. 23. The Gala is open to both non-registrants and registrants. It will feature two speakers, a cocktail reception, a three-course dinner and a cash bar.

The registration fee for the entire World Congress is $490 per person, with a $100 deposit required. Either the full fee or the deposit must accompany the registration.

The fee includes access to 34 sessions, including the Tuesday Evening Gala, a workbook, three dinners, two luncheons, scheduled cocktail receptions and entry to World Expo.

Tickets to the Tuesday Evening Gala are available in advance on a first-come, first-served basis. Individual tickets or tables for 10 people can be reserved at $30 per person.

Exhibitors and visitors at World Expo who wish to attend the World Congress are required to pay the $490 registration fee.

For additional information, contact Cynthia Radom, director of special projects at Automotive News, 965 E. Jefferson, Detroit, Mich. 48207. Phone: (313) 567-9520.

To send a request by TWX call: 810-221-5122 AUTNEW.

Laus appointed Fram president

SOUTHFIELD, Mich. — Andre A. Laus will become president and chief operating officer of Fram Corp., a Bendix Corp. subsidiary, effective Sept. 13.

Laus will be nominated a corporate vice president at the September meeting of the Bendix board of directors. He will report to Fram Chairman, Paul F. Hartz, until Jan. 1, 1983. At that time, Laus will become chief executive officer, and Hartz will continue as chairman.

Laus has been with Federal-Mogul Corp., Southfield, as vice president and group executive, responsible for worldwide automotive aftermarket operations.

New quarters

CONCORD, N. H.—Grappone Subaru has moved into a new sales/service facility.

Ford deal closes

NAPPANEE, Ind. — Bob's Ford, Inc., has terminated its Ford and Mercury franchises and is selling its equipment and furnishings at auction.

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July deliveries show gain of 7.3 percent

7-month Big 3 truck sales up 16 pct.

Continued from Page 16

dealers sold 11,313 S-10 compacts, bringing the seven-month total to 111,089 units. July sales of the Ford Rangers totaled 8,386 units, lifting the January-July count to 54,130.

Dodge and Plymouth dealers sold 20,886 new light trucks in July, an increase of 30 percent over last year's 16,070. The seven-month total was up 29.8 percent to 152,368 units, compared with 117,374 a year ago.

Dodge dealers sold 2,018 Japanese-built Ram 50 compacts during the month, up from last year's 1,755. Through July, the count was 20,148, compared with 17,601 in the like period in 1981.

Sales of the imported Plymouth Arrow compact in July dropped from 570 in 1981 to 431 units, while the seven-month total slipped to 3,821 units, compared with 5,889 last year.

GMC dealers retailed 20,836 new trucks during the month, including 3,216 S-15 compacts, an increase of 46.1 percent over the year-earlier 14,264. Through July, the count was 145,086, including 23,895 S-15s, up 34.2 percent over last year's 108,092 units.

Sales of four-wheel-drive Jeep vehicles during the month dropped 16.1 percent, from 6,658 units a year ago to 5,585. The seven-month count, however, was up slightly to 37,741 units, compared with 37,510 in 1981.

Volkswagen compact-pickup sales were down drastically for both the month and the January-July period. In July, dealers sold 807 units, off 67 percent from the year-earlier 2,447. The seven-month total was off 61 percent to 7,936 units, compared with 20,348 last year.

Toyota dealers retailed 12,159 compacts during the month, off 2.7 percent from the year-ago 12,501. Through July, 76,503 units had been sold, a decline of 4.3 percent from last year's 79,948.

Sales of the Datsun compact also were down for both July and the seven-month period. In July, 9,162 units were sold, off 4.6 percent from last year's 9,602. Through July, the total was down 24.7 percent to 53,359 units, compared with 70,889 in 1981.

Mazda dealers retailed 4,170 compacts during the month, up 193.7 percent over last year's 1,420, while the seven-month total of 22,228 units was 132.5 percent higher than the year-ago 9,559.

During the month, Isuzu dealers sold 1,686 compacts, up 16.8 percent over last year's 1,443. Through July, the count was 10,285, a gain of 169.3 percent over the year-earlier 3,819 units.

Big Three July, year-to-date truck sales

	July 1982	July 1981	Year to date 1982	Year to date 1981
Ford				
Vans	9,548	11,002	73,336	64,555
Club Wagon	3,343	1,870	20,378	15,304
Ranger	8,386	.....	54,130	.....
Courier	2,785	4,696	20,695	39,350
Bronco	2,496	3,062	24,858	20,243
Conventional Pickups	28,338	34,206	256,363	272,061
Mediums/Heavies	3,914	5,938	27,899	31,136
Chevrolet				
Vans	8,851	8,238	61,911	54,102
Sportvan	1,241	1,192	9,992	8,730
S-10	11,313	.....	111,089	.....
LUV	1,300	3,936	15,444	43,340
El Camino	1,670	2,893	12,991	20,862
Blazer	1,358	1,963	17,152	13,231
Suburban	1,815	1,945	17,933	13,217
Conventional Pickups	26,844	32,647	239,379	253,902
Mediums	1,749	2,051	9,758	14,015
Chrysler				
Vans	5,766	5,096	37,392	30,193
Voyager	383	372	3,194	3,061
Ram Wagon	2,679	1,888	18,604	12,549
Rampage	1,170	.....	10,651	.....
Arrow	431	570	3,821	5,889
Ram-50	2,018	1,755	20,148	17,601
Trail Duster	.....	91	244	1,037
Ramcharger	945	429	6,936	3,218
Conventional Pickups	7,494	5,869	51,378	43,826
GMC				
Vans	2,804	2,274	17,384	14,373
Caballero	205	306	1,681	2,760
S-15	3,216	.....	23,895	.....
Jimmy	599	445	4,546	2,896
Suburban	703	496	6,065	2,935
Conventional Pickups	9,462	7,763	67,283	62,555
P models	556	261	2,322	2,168
Mediums	2,302	1,767	15,598	13,190
Heavies	989	952	6,312	7,215

Big fuel savings seen with wider use of twin trailer

Continued from Page 16

Alabama, Connecticut, Georgia, Maine, Massachusetts, New Hampshire, New Jersey, New York, North Carolina, Pennsylvania, Rhode Island, South Carolina, Vermont, Virginia and West Virginia, as well as the District of Columbia.

He congratulated the states of Mississippi and Tennessee, which recently passed legislation allowing the 65-foot twins to operate in those states effective July 1.

He added that the 17 states that joined in the Multistate Reciprocity Agreement, which allows interstate motor carriers to pay fees in one of those member states only, was an example of the cooperation that leads to an efficient transportation system.

Electronic dash has bright future, Bendix says

Continued from Page 16

alarm if the engine overheats, or oil pressure drops too low, for example.

Punch-up, in which finger keys are pushed to order a display of information, such as engine temperature or oil pressure.

Continuous, which offers a continuous stream of data displayed on key functions.

While the experimental panel performs eight functions, future versions are expected to offer 20 or more.

Functions the system currently performs include monitoring primary and secondary pressures in the air-brake systems, oil pressure, water temperature, exhaust-gas temperatures in turbocharged diesels, fuel level and battery voltage.

Among the functions expected to be added are hydraulic pressure in power-steering systems, oil levels, brake-application pressure and fuel-consumption rates.

"Truck drivers and off-highway equipment operators of the future will be able to call up information from the computer on mileage or potential maintenance problems so they can track servicing requirements more carefully and keep track of performance levels for key vehicle systems," said Rini.

factories list auction dates

American Motors

August 18—Kansas City Auto Auction, Kansas City, Mo.; Southern Auto Auction, Warehouse Point, Conn., and Columbus Fair Auto Auction, Obetz, O.

August 19—Minneapolis North Star Auto Auction, Shakopee, Minn.; Fredericksburg Auto Auction, Fredericksburg, Va., and Evansville Auto Auction, Evansville, Ind.

August 20—Concord Auto Auction, Acton, Mass.

August 25—Central States Auto Auction, Mason City, Ia.; Dallas Auto Auction, Grand Prairie, Tex., and Sand Mountain Auto Auction, Boaz, Ala.

August 26—Minneapolis North Star Auto Auction, Shakopee, Minn., and Todd Auto Auction, Telford, Pa.

August 27—Floyd Hauhe Auto Auction, Bridgeton, Mo.

Ford Motor Co.

Aug. 17—Dallas Auto Auction, 4226 E. Main, Dallas.

Aug. 19—Skyline Auto Exchange, 100 Route 46, Fairfield, N. J.; Salt Lake Auto Auction, 460 Orange St., Salt Lake City.

Aug. 25—Metro Auto Auction of Kansas City, 101 W. Oldham Pkwy., Lee's Summit, Mo.; Golden Gate Auto Auction, 6010 Stevenson Blvd., Fremont, Calif.

Used car sales
Auction Averages

August to date	$4,916
Month ago	$4,759
Year ago	$4,669

Model breakdown
Auction Averages

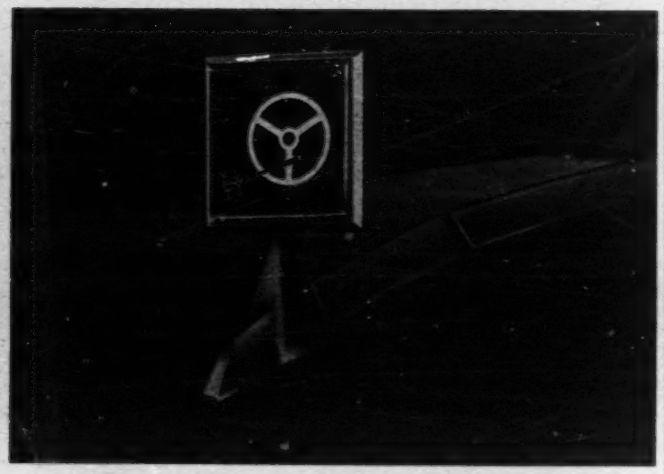
	AUGUST TO DATE	JULY	JUNE
1982	$9,015	$9,371	$9,646
1981	6,580	6,824	6,892
1980	5,334	5,377	5,367
1979	4,769	4,823	4,768
1978	3,935	3,872	3,637
1977	3,028	2,935	2,950
1976	1,957	2,103	2,041
1975	1,300	1,686	1,415
Overall Average	$4,916	$4,885	$4,708

Police choose Pontiac cruisers

Two 1982 Pontiac Bonneville sedans were purchased recently by the Salisbury Township (Pa.) police department from Knopf Pontiac in Allentown, Pa. Knopf president David Helmer, right, hands keys to the new cruisers to police chief Charles Turner Jr.

used-car auction directory

Display Rates: $59.00 per column inch (minimum space, 1 inch on 1 column). Listing Rates: (Maximum: Four lines of type - 1 time, $17.00; 13-times, $13.00; 26-times, $11.50; 52-times, $10.00. For Frequency Display Rates Contact Want Ad Dept., Automotive News, 965 E. Jefferson, Detroit 48207. Phone (313) 567-9520. Closing: 10 days in advance.



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3 FREDERICKSBURG AUTO AUCTION, Fredericksburg, Va. 22401 Sale Thursday. Phone 703/898-4900
4 KANSAS CITY AUTO AUCTION, Kansas City, Mo. 64127 Sale Wednesday. Phone 816/241-2814
5 LAKELAND AUTO AUCTION, Lakeland, Fla. 33802 Sale Wednesday. Phone 813/984-1561
6 ATLANTA AUTO AUCTION, Red Oak, Ga. 30272 Sale Thursday. Phone 404/762-0211
7 HIGH POINT AUTO AUCTION, High Point, N.C. 27261 Sale Tuesday. Phone 919/869-7091
8 BUTLER AUTO AUCTION, Gibsonia, Pa. 15044 Sale Wednesday. Phone 412/443-7211 Pittsburgh 412/361-6300
9 METRO MILWAUKEE AUTO AUCTION, Caledonia, Wis. 53108 Sale Wednesday. Phone Caledonia 414/835-5438 Chicago 312/235-3823
10 FLORIDA AUTO AUCTION OF ORLANDO, Ocoee, Fla. 32761 Sale Tuesday. Phone 305/656-0300
11 FRESNO AUTO DEALERS AUCTION, Fresno, Calif. 93706 Sale Thursday. Phone 209/268-8051
12 CALIFORNIA AUTO DEALERS EXCHANGE, Anaheim, Calif. 92803 Sale Wednesday. Phone 714/956-2400
15 AMERICAN AUTO AUCTION, Wayland, Mass. 01581 Sale Tuesday. Phone Boston 617/329-4055 or 329-4056 — Walpole 617/668-6139

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Matrix 3 offers Corolla convertible

Matrix 3, of Costa Mesa, Calif., has introduced a convertible conversion for the Toyota Corolla that includes a 30-second push-button power top and integrated chassis and body reinforcement. It retains rear-seat and luggage space. The conversions carry a 12-month/12,000-mile limited warranty.

Court says negotiated settlement instead of recall is OK

DOT upheld on Ford transmissions

By Helen Kahn
Washington Bureau Chief

WASHINGTON. — The decision by former Transportation Secretary Neil Goldschmidt to negotiate a settlement with Ford Motor Co. over millions of vehicles that allegedly slipped unexpectedly from Park to Reverse instead of trying to force the company to recall and repair or replace was within his discretion, the U. S. Court of Appeals for the District of Columbia has ruled.

The Appeals Court upheld an earlier decision by Federal Judge Oliver Gasch.

The Center for Auto Safety, which had sued the government in March, 1981, is not expected to appeal. There remain, however, numerous individual liability suits against Ford and one class action still pending in a D.C. court.

Roger Maugh, Ford auto safety director, said, "Naturally, we are pleased with the Appeals Court's decision.

"As we have maintained from the outset of the investigation, there is no defect in the design or operating characteristics of Ford vehicles equipped with automatic transmissions. Ford has always believed that its settlement with the U. S. Department of Transportation was proper."

The NHTSA investigation started in October, 1977, and involved some 23 million vehicles and five major kinds of automatic transmissions. It lasted 2½ years and resulted in a June, 1980, initial finding of a safety-related defect.

The extensive investigation—over 382 cubic feet of documents—found some instances of similar problems with automatic transmissions from other car makers and involved to some extent human error, but it concluded that the failure for Ford vehicles was much greater than for other vehicles and was the result of unique Ford characteristics.

• Ford changed design of its gearshift lever fastener for 1981 models, but, throughout, the company steadfastly maintained that its earlier vehicles were not defective in this area. The company also claimed that adverse publicity had stimulated reports of alleged slipping and inflated their numbers.

In October, 1980, then NHTSA chief Joan Claybrook wrote a memo to Goldschmidt saying that subject to his approval, she intended to make a final determination of defect. Goldschmidt neither approved nor disapproved, but after the election he asked his general counsel to start negotiating for a settlement with Ford.

Thomas Allison, once general counsel but then acting secretary after Goldschmidt's retirement, did just that, requiring Ford to send letters informing owners of NHTSA's initial finding and enclosing self-sticking warning labels reminding drivers to place the transmission securely in Park, shut off the engine and set the parking brake.

The agreement with Ford also said the government did not agree with Ford's position on the merits and reserved the right to take further action later "if warranted by subsequent developments."

The Center for Auto Safety's court challenge — first defeated last October in District Court — argued that the DOT Secretary lacked authority to settle a defect investigation short of "repair, replacement, or refund of purchase price."

But the three-judge panel of the Circuit Court said the law requires a final determination before the remedy-without-charge section applies. Such a second determination means a hearing and a further evaluation and accepting the center's arguments that these remedies are tolled with the initial determination "would lead to unreasonable results," the court said.

A DOT recall order is not self-enforcing, the court said, and taking Ford to court would mean a trial de novo, and a trial and appeal in such a complicated case "would probably last well over four years and involve huge expenditures of time and money."

The Appellate Court said it thinks it unreasonable to assume that Congress meant to restrict the Department to an "all or nothing" approach—that is, either dropping a case or litigating to the end.

The center also challenged the Secretary's choice of remedy as an abuse of discretion on grounds it would not be effective. But the Appellate Court, agreeing with the District Court, said the Secretary did not act arbitrarily.

First, it noted, the existence of a defect was not "conclusively established" and citing an affidavit of Lynn Bradford, NHTSA's enforcement official, "major new investigative efforts" would have been needed and even then, he could not have been sure of a final determination.

Second, had a final determination been made, Ford would have fought it, the government would have had a hard time in proving the defect because of the factor of driver interaction with the vehicle and even if the government won, it would have taken about four years during which time some six million of the affected vehicles would have been junked.

Third, said the court, the Ford investigation was causing an enormous drain on NHTSA's resources.

In light of those factors, the court concluded, the decision to settle was not irrational or arbitrary.

"Any experienced lawyer can cite cases in which stubborn litigants lost everything when they might have settled for at least part of the relief demanded," the court said.

As for the center's argument that no evidence exists to show the letters and safety labels are effective, the court notes, "No remedy, of course, can be absolutely effective," although in some instances the letters and labels should help.

Besides, the court said, even if a recall were mandated — according to Claybrook's own memo — only about half of them would be fixed. Besides, the agreement with Ford means the government is still monitoring the problem and could take additional action.

Oakleaf offers computer to aid dealer sales staff

LOS ANGELES. — A new computer system designed to aid dealership sales personnel will be introduced by Oakleaf Computers Aug. 18-19 at the Westin South Coast Plaza Hotel in Costa Mesa, Calif. Dealers are invited to attend the showing.

Called the NP-16, the new system is offered with six programs that computerize sales functions previously administered manually. Among the software packages are three that aid management and three that can be used as sales tools.

The management programs are a prospect followup file that lists showroom visitors, an inventory control program that shows all vehicles in stock as well as each unit's floorplan cost and an information program on sales performance and F&I penetration.

The three sales-tool programs are a gasoline mileage comparison that allows the salesman to show the prospect how much in fuel costs can be saved with a new car, a dealer-installed-option program that automatically adjusts the deal to reflect any accessories the customer may want and a leasing package with instant credit checking.

Oakleaf Computers is based in Panorama City, Calif.

Industry has 1,377,130 new cars on hand Aug. 1

Domestic inventory up to 83 days

Continued from Page 1

than a month earlier. But subcompacts were still in heaviest supply among the market segments at 100 days, down from 103 days July 1.

The industry had a 74-day supply of luxury cars, down from 78½ days a month earlier.

Compacts were in 84 days supply Aug. 1, up from 74 a month earlier, while intermediates climbed during July to 86 days from 77.

The leanest segment was still standards at 57 days, up from 53½ days a month earlier.

The Aug. 1 inventory was divided this way by market segment: Subcompact, 28.42 percent; compact, 23.43 percent; intermediate, 31.10 percent; standard, 10.83 percent, and luxury, 6.22 percent.

A month earlier, the inventory was divided as follows: Subcompact, 29.04 percent; compact, 22.39 percent; intermediate, 30.44 percent; standard, 11.03 percent, and luxury, 7.10 percent.

• The Aug. 1 days-supply figures by market class were:

Subcompact — Escort, 58; Lynx, 63; Eagle SX/4, 66; TC3, 88½; Horizon, 92; Omni, 94; 024, 100; EXP, 104; LN7, 108; Rabbit, 110; Chevette, 117; Spirit, 127; Cavalier, 162; T1000, 171; Skyhawk, 195; J2000, 209, and Firenza, 218.

Compact — Concord, 38; Camaro, 44; Firebird, 63; Zephyr, 65; Eagle, 66; Reliant, 75; Fairmont, 82; Aries, 82½; Mustang, 104; Skylark, 105; Omega, 117; Citation, 119; Capri, 135, and Phoenix, 144.

Intermediate — Gran Fury, 26½; New Yorker, 46; Cutlass four-door, 51; Diplomat, 55; Malibu, 57; Cougar, 61; Cutlass two-door, 62; Regal two-door, 71; Grand Prix, 72½; Granada, 73; Regal four-door, 74½; Monte Carlo, 75½; Cordoba, 77; Bonneville, 77½; LeBaron, 91; Mirada, 97; XR-7, 99; Thunderbird, 101; Dodge 400, 122; Ciera, 128; Celebrity, 178; Century, 179, and Pontiac 6000, 253.

Standard — Olds 88, 44; Olds 98, 46; Mercury, 50; LeSabre, 57½; Ford, 62; Electra, 69, and Chevrolet, 70½.

Luxury — Cadillac, 59; Lincoln, 69; Toronado, 70; Eldorado, 71; Riviera, 77; Continental, 88; Mark VI, 95; Cimarron, 112; Seville, 130; Corvette, 142½, and Imperial, 150.

Import stockpile slips to 56 days; some lines short

Continued from Page 1

were in short enough supply to affect sales.

The inventory of Japanese-built new cars in the U. S. totaled 283,566 Aug. 1, a 45½-day supply, down from 292,293 a month earlier, a 48-day supply.

Japanese nameplates and their day-supply figures were: Honda, 27; Toyota, 29; Mazda, 52; Datson, 58½; Subaru, 45, and Isuzu, 167. In addition, Chrysler Corp. had a 97-day supply of Mitsubishi-built cars, including Challenger, 83 days; Colt, 88 days; Champ, 97 days, and Sapporo, 138 days.

The stockpile of West German-built cars totaled 85,597, a 112-day supply, compared with 86,185 a month earlier. The higher July 1 figure, however, was a 106-day supply.

• German nameplates and their Aug. 1 days-supply figures were: Mercedes-Benz, 29; Porsche, 34; BMW, 47; Audi, 168, and Volkswagen, 221. VW sales had a 110-day stockpile of U.S.-built Rabbits, for a total inventory of 156 days.

Inventories of other European lines included: Volvo, 61; Jaguar, 62; Saab, 76; Peugeot, 100; Fiat, 117; Renault, 130, and DeLorean, 264.

Days-supply figures for new imported pickup trucks Aug. 1 were: Mazda, 65; Toyota, 95; Ford Courier, 154; Datsun, 155; Isuzu, 174; Chrysler/Mitsubishi, 209, and Chevrolet LUV, 280.

New-car inventories

	Aug. 1, 1982	July 1, 1982	Aug. 1, 1981
Spirit	127	70	117
Concord	38	66½	37
Eagle	66	70½	124
Eagle SX/4	66	48	124
AMERICAN MOTORS	58	65	66
Horizon	92	72	93
TC3	88½	93	93
Reliant	75	74½	89
Gran Fury	26½	50	30½
Plymouth	73	74	90
LeBaron	91	97	55
Cordoba	77	91	79
New Yorker	46	56	—
Chrysler	72	80½	62
Imperial	150	110	123
Omni	94	93	111
024	100	97	111
Aries	82½	87	100½
Dodge 400	122	147	—
Diplomat	55	63	45
Mirada	97	99	92½
Dodge	89	93	97
CHRYSLER CORP.	79	83	90
Escort	58	75	78
EXP	104	103	78
Mustang	104	98	100
Fairmont	82	61	92
Granada	73	73	110
Thunderbird	101	92	112
Ford	62	59	66
Ford	72	75	84
Lynx	63	71	80
LN-7	108	102½	80
Capri	135	137	91
Zephyr	65	59	77
Cougar	61	69	74
XR7	99	93	98
Mercury	50	51	58
Mercury	50	71	78
Lincoln	69	61	95
Continental	88	84	—
Mark VI	95	81	109
Lincoln	78	74	104
FORD MOTOR CO.	71	75	83
Skyhawk	195	150	—
Skylark	105	77	93
Century	179	116	—
Regal 4-door	74½	60	68½
Regal 2-door	71	65	116
LeSabre	57½	52	72½
Electra	69	63	79
Riviera	77	74	79
Buick	95	77	91½
Cimarron	112	164	58
Seville	130	127	141
Cadillac	59	67	86
Eldorado	71	83	100
Cadillac	68	77	89
Chevette	117	147	84
Cavalier	162	143	87½
Citation	119	118½	100
Camaro	44	40	88½
Malibu	57	51	89
Celebrity	178	134	—
Monte Carlo	75½	80½	130
Chevrolet	70½	61	93
Corvette	142½	115	80
Chevrolet	93	89	91
Firenza	218	171	—
Omega	117	89	107
Ciera	128	98	—
Cutlass Sup. 4-dr.	51	46	66
Cutlass Sup. 2-dr.	62	50	90
Olds 88	44	44	57
Olds 98	46	43	54
Toronado	70	79	81
Oldsmobile	70	61½	76½
T-1000	171	164	83
J-2000	209	167	87
Phoenix	144	120	135
Firebird	63	29	85
Bonneville	77½	61	102½
6000	253	183	—
Grand Prix	72½	62	124
Pontiac	117	86	98
GENERAL MTRS.	90	79	89
VOLKSWAGEN	110	105	113
TOTAL	83	78½	87½

21 plants affected last week; 69,179 cars built

Changeovers trim auto production

By Patricia Hoffman
Staff Writer

The 1983 model-changeover period is taking its toll on auto production as seven more facilities were idled last week, bringing the total to 21 U. S. assembly points down for at least part of the week. For the fourth consecutive week, output was below that of the prior week.

Last week, the auto makers scheduled 69,179 units, down 8.68 percent from the previous week's 75,756, and down 27.78 percent from 95,785 in the comparable 1981 week.

So far this year, the manufacturers have assembled 3,258,535 cars, down 23.98 percent from last year's 4,286,522.

Breakdown for last week by company was: General Motors, 70.50 percent; Ford Motor, 19.02 percent; Chrysler Corp., 7.01 percent and American Motors, 3.47 percent.

Volkswagen of America was idle last week (Aug. 9) for changeover. The Westmoreland facility, down since Aug. 2, is slated to return in September.

There were five GM assembly points idled last week for changeover.

GM's Wilmington point closed Friday (Aug. 13) with operations scheduled to resume Sept. 17; the GM Willow Run facility was idled last Wednesday (Aug. 11) and is slated to return next week (Aug. 23); Tarrytown, down last week, will be back Aug. 25; Doraville, idled Aug. 11, is slated to return today (Aug. 16), and Baltimore, down last week, is scheduled to return today.

Also idled last week for changeover were Ford's Dearborn and Lorain points. No start-up date was given for those plants.

Downtime — full or partial — continued last week at GM's Detroit, Framingham, Janesville, Lansing, Leeds, Linden, Lordstown and Pontiac points. Framingham, Janesville and Lordstown are slated to return today. Lansing returned last Tuesday (Aug. 10), and Linden resumed operations last Wednesday (Aug. 11). The others will be idle this week.

Ford's Atlanta, Chicago and San Jose points remained down last week. The Ford Metuchen and Louisville plants, both idled Aug. 2, resumed operations last week.

Chrysler's Belvidere and Newark points, both idle since Aug. 2, are slated to return next week.

The Chrysler St. Louis plant, which went down Aug. 2, resumed operations last week.

Canadian output dips again; two more plants finish runs

Canadian auto production last week was down 7.59 percent from the previous week's total as two more car plants were idled for model changeover.

Last week, the makers targeted 12,577 cars, down from 13,610 the previous week, but rose 52.15 percent above the 8,266 built in the comparable 1981 period.

Year-to-date, the car manufacturers have assembled 550,658 units, a 2.81 percent gain from 535,588 built at this time last year.

Truck production last week was planned at 8,943 units, up 25.48 percent from 7,127 the previous week, and a 20.79 percent gain from 7,404 in the comparable 1981 week.

So far this year, there have been 324,711 trucks completed, down 1.12 percent from 328,377 built in last year's year-to-date.

General Motors' Ste. Therese car facility ended 1982 production last Thursday, Aug. 12. Assembly of 1983 models is scheduled to begin today (Aug. 16).

Also at GM, the Oshawa (No. Two) point was down for the second week of changeover last week. Operations are expected to resume Wednesday (Aug. 18). The company's Oshawa (No. One) facility returned last week following model changeover.

Ford Motor's St. Thomas car plant was also idle last week for changeover.

Volvo's Halifax facility, which ended '82 production Aug. 2, is slated to resume operations next week (Aug. 23).

GM's Oshawa truck plant returned last Monday following one day of changeover downtime.

Second-shift operations were idled last Tuesday, (Aug. 10) due to a parts shortage at GM's Scarborough van facility. First-shift operations were also halted Wednesday.

Saab world sales increase 16 pct. for first half

NYKOPING, Sweden.—Worldwide retail sales of Saab cars during the first half of 1982 increased 16 percent, from 37,600 in 1981 to 43,600 in 1982, according to Sten Wennlo, chief executive of the Saab Car Division.

"Following production increases to meet the increased demand, we now expect to sell over 80,000 cars in 1982, which on an annual basis will represent an increase of about 10 percent," he said.

The Saab Turbo models now are responsible for about one-third of all Saab sales throughout the world.

In the U. S., where the Saab Turbos represent just over half of all sales, Saab retail sales set a one-month record in June with 1,707. Six-month sales of 8,713 were also a record.

On the Scandinavian markets, which account for about half of Saab's total sales, heavy increases were reported in Sweden, Norway, Denmark and Finland. In the Swedish home market, Saab sales rose about 25 percent over the same period in 1981, to a total of 14,800.

Sales rose 48 percent in Belgium and 28 percent in Italy.

Truck production rises for week; 32,905 scheduled

The return of two assembly points last week was enough to offset changeover downtime at four more plants and pull domestic truck production up 2.19 percent from the previous week's total.

The truck makers estimated 32,905 units last week, up from the previous week's 32,200, and up a substantial 29.38 percent from 25,432 in the comparable 1981 week.

So far this year, the manufacturers have assembled 1,265,897 trucks, a 15.47 percent gain from 1,096,281 built in last year's period.

Joining the model changeover lineup last week were three General Motors facilities and one Ford plant. They were GM Janesville, Lordstown (van) and Pontiac and Ford Kentucky.

Lordstown and Pontiac are both slated to return today (Aug. 16) while Janesville has scheduled 1983-model startup for Aug. 31.

There was no return date given for Ford's Kentucky plant.

GM's Moraine point, idled July 30, remained down last week. Operations are slated to resume today.

Also at GM, the Shreveport facility, which ended 1982 production Aug. 4, is slated to return this Friday (Aug. 20).

Chrysler Corp.'s Belvidere facility, idled since Aug. 2, is scheduled to return next week (Aug. 23).

Chrysler's Warren plant and Ford's Louisville facility, both down for changeover since Aug. 2, resumed operations last week.

Volkswagen of America's Westmoreland point, which closed June 28 for changeover, is scheduled to return in September.

U. S. CAR PRODUCTION

	Week Ended Aug. 14, 1982	Week Ended Aug. 15, 1981	Week Ended Aug. 7, 1982	Aug. to Date	Jan. 1 to Aug. 15, 1981	Jan. 1 to Aug. 14, 1982
AMERICAN MOTORS	2,400*	3,150*	2,456*	4,856*	83,272*	41,211*
Spirit	.....	.....	.....	.....	.....	.....
Concord	.....	.....	.....	.....	.....	.....
Eagle	.....	.....	.....	.....	.....	.....
CHRYSLER CORP.	4,850	9,589	1,811	6,661	516,298	359,714
Plymouth Total	1,950	5,004	621	2,571	266,873	148,127
Horizon	.....	2,989	.....	.....	102,525	46,460
Reliant	1,900	2,015	621	2,521	154,761	101,617
Caravelle ('81)	.....	.....	.....	.....	2,139	.....
Caravelle ('83)	50	.....	.....	50	.....	50
Gran Fury	.....	.....	.....	.....	9,448	.....
Chrysler Total	1,200	.....	534	1,734	22,098	69,801
LeBaron	1,200	.....	534	1,734	17,236	69,801
Chrysler	.....	.....	.....	.....	4,862	.....
Dodge Total	1,700	4,585	656	2,356	227,327	141,786
Omni	.....	2,627	.....	.....	89,087	43,771
Aries	1,100	1,958	437	1,537	121,914	76,650
Diplomat	.....	.....	.....	.....	12,644	.....
Dodge 400	600	.....	219	819	.....	21,365
St. Regis	.....	.....	.....	.....	3,682	.....
FORD MOTOR	13,156	24,658	14,991	28,147	872,132	699,376
Ford Division	6,977	17,061	7,865	14,842	595,632	440,764
Escort	3,921	7,087	.....	3,921	222,984	172,678
Fairmont	3,056	3,642	3,157	6,213	125,774	80,493
Must./Must. II	.....	3,237	2,588	2,588	108,137	81,665
Granada	.....	890	.....	.....	53,056	74,051
Thunderbird	.....	2,205	2,120	2,120	44,795	27,378
Ford	.....	.....	.....	.....	40,886	.....
EXP	.....	.....	.....	.....	.....	4,499
L-M Division	6,179	7,597	7,126	13,305	276,500	258,612
Mercury Total	4,912	6,783	5,537	10,449	239,386	199,923
Lynx	2,555	2,440	.....	2,555	77,842	55,418
Capri	.....	819	1,468	1,468	37,614	22,566
Zephyr	800	978	1,113	1,913	38,348	26,812
Cougar	.....	356	.....	.....	27,040	35,953
XR-7	.....	1,060	1,145	1,145	19,885	9,472
Mercury	1,557	1,130	1,811	3,368	38,657	48,636
LN7	.....	.....	.....	.....	.....	1,066
Lincoln Total	1,267	814	1,589	2,856	37,114	58,689
Continental ('82)	249	.....	322	571	.....	12,263
Lincoln	561	374	765	1,326	18,086	26,675
Mark VI	457	440	502	959	19,028	19,751
GENERAL MOTORS	48,773	58,016	56,496	105,271	2,695,393	2,095,950
Buick Division	12,882	20,454	16,028	28,910	576,024	491,118
Skylark	1,768	5,882	3,977	5,745	175,810	93,135
Skyhawk J	.....	.....	.....	.....	.....	47,922
Century	1,748	.....	3,412	5,160	86,881	86,431
Regal	4,975	11,117	4,779	9,754	162,956	131,589
Buick	4,123	3,455	3,860	7,983	104,586	110,565
Riviera	268	.....	.....	268	45,791	21,476
Cadillac Division	369	1,038	221	590	173,663	139,370
Cimarron	.....	1,038	221	221	11,212	3,660
Seville	103	.....	.....	103	15,916	12,693
Eldorado	266	.....	.....	266	40,074	34,578
Cadillac	.....	.....	.....	.....	106,461	88,439
Chevrolet Division	19,402	22,042	23,352	42,754	1,012,415	677,697
Chevette	6,060	5,971	5,547	11,607	227,628	150,212
Cavalier	.....	4,282	1,613	1,613	55,416	55,191
Celebrity	200	.....	200	400	.....	41,077
Camaro	5,271	.....	4,963	10,234	87,694	146,447
Citation	2,400	4,654	4,377	6,777	239,820	118,808
Malibu	2,204	1,155	3,352	5,556	164,814	78,650
Monte Carlo	982	807	1,375	2,357	93,495	44,172
Chevrolet	1,685	4,675	1,692	3,377	122,690	24,730
Corvette	600	498	233	833	20,858	18,413
Oldsmobile Division	11,296	6,319	7,893	19,189	585,528	476,787
Omega	870	2,538	2,358	3,228	104,750	56,531
Firenza	.....	.....	.....	.....	.....	34,011
Cutlass	3,206	2,927	.....	3,206	275,741	122,842
Cutlass/Ciera	1,607	.....	1,788	3,395	.....	73,445
Oldsmobile	5,453	854	3,747	9,200	175,290	170,447
Toronado	160	.....	.....	160	29,747	19,511
Pontiac Division	4,824	8,163	9,004	13,828	347,763	310,978
Acadian†	.....	360	.....	.....	14,307	8,128
J2000	.....	3,427	.....	.....	39,713	27,438
T1000	1,203	2,286	1,802	3,005	52,475	27,045
Firebird	3,585	.....	3,290	6,875	43,468	89,047
Phoenix	.....	1,974	1,415	1,415	76,370	34,378
Grand Prix	.....	.....	1,558	1,558	69,227	50,108
Bonneville ('82)	36	114	939	975	114	50,064
A6000	.....	.....	.....	.....	.....	24,770
LeMans	.....	.....	.....	.....	42,027	.....
Pontiac	.....	2	.....	.....	10,062	.....
VOLKSWAGEN	.....	347	.....	.....	117,983	60,121
CHECKER	.....	25*	.....	.....	1,444*	2,163*
Total Cars, U. S.	69,179	95,785	75,756	144,935	4,286,522	3,258,535

TRUCK PRODUCTION IN U. S.†

	Week Ended Aug. 14, 1982	Week Ended Aug. 15, 1981	Week Ended Aug. 7, 1982	Aug. to Date	Jan. 1 to Aug. 15, 1981	Jan. 1 to Aug. 14, 1982
CHEVROLET	7,007	891	12,086	19,093	334,317	441,090
DODGE	2,100	2,236	.....	2,100	62,930	82,233
FORD	16,760	14,989	11,780	28,540	398,966	452,078
GMC	2,993	1,332	4,078	7,071	115,596	161,188
INTERNATIONAL	995	1,618	1,200	2,195	46,718	30,602
VOLKSWAGEN	.....	916	.....	.....	29,160	8,103
JEEP	2,000*	2,000*	2,006*	4,006*	64,188*	53,123
AM GENERAL	50*	50*	50*	100*	2,686*	1,480*
MISCELLANEOUS	1,000*	1,400*	1,000*	2,000*	41,720*	36,000*
Total Trucks, U. S.	32,905	25,432	32,200	65,105	1,096,281	1,265,897

CANADIAN TRUCK PRODUCTION

	Week Ended Aug. 14, 1982	Week Ended Aug. 15, 1981	Week Ended Aug. 7, 1982	Aug. to Date	Jan. 1 to Aug. 15, 1981	Jan. 1 to Aug. 14, 1982
CHRYSLER CORP.	2,469	2,422	1,717	4,186	50,389	63,465
FORD MOTOR	3,336	2,899	3,447	6,783	93,419	90,137
GENERAL MOTORS	2,878	1,821	1,754	4,632	177,432	163,952
INTERNATIONAL	260	262	209	469	7,137	7,157
Total Trucks, Canada	8,943	7,404	7,127	16,070	328,377	324,711
N. American Trucks	41,848	32,836	39,327	81,175	1,424,658	1,590,608

†—Now includes window van production. *—Estimated.
* Jeep includes commercial only. AM General includes government-destined vehicles.

CANADIAN CAR PRODUCTION

	Week Ended Aug. 14, 1982	Week Ended Aug. 15, 1981	Week Ended Aug. 7, 1982	Aug. to Date	Jan. 1 to Aug. 15, 1981	Jan. 1 to Aug. 14, 1982
AMERICAN MOTORS	1,200	.....	1,220	2,420	20,779	18,548
CHRYSLER CORP.	4,087	1,380	3,652	7,739	31,257	103,454
FORD MOTOR	4,410	6,302	8,601	13,011	142,395	193,323
GENERAL MOTORS	2,743	584	.....	2,743	334,602	228,655
VOLVO	137	.....	137	274	6,555	6,678
Total Cars, Canada	12,577	8,266	13,610	26,187	535,588	550,658
N. American Cars	81,756	104,051	89,366	171,122	4,822,110	3,809,193
N. American Trucks	41,848	32,836	39,327	81,175	1,424,658	1,590,608
North American Cars and Trucks	123,604	136,887	128,693	252,297	6,246,768	5,399,801

†—All Acadians and Caravelles are built for sale in Canada. *—Estimated.

Only 23 lost in first half, despite all odds

Import dealer total holds steady

Continued from Page 1

and 7,247 on Jan. 1 — handle both imports and domestic cars.

Excluding the Chrysler captives, 27.3 percent of all import-car franchises were single-line dealerships at midyear. That was the highest total for any census in four years.

But the average is deceiving: Only 10.8 percent of the European-car franchises were single-line dealerships, and fully 45.8 percent of the Japanese-car dealerships were single-line stores. Those percentages changed only slightly from the start of the year.

When they do dual, the Japanese makes are most likely to dual with U.S. makes. The Europeans — with the exception of DeLorean and Renault — are prone to dual with other European makes.

About 65 percent of all the import franchises in the U.S. are Japanese cars, the latest census showed.

It also showed the number of import franchises increased by 437 during the half. (Because of dualing, there are more franchises than there are dealerships.)

• One of the big reasons for this increase was a change of policy at Chrysler Corp. Earlier, dealers signed separate franchise agreements for the Mitsubishi products, and not every Chrysler dealer carried the Japanese cars.

Now, there is no separate franchise agreement, and every dealer has access to the Mitsubishi lines. Even so, an increase in dualing of Chrysler-Plymouth and Dodge dealers meant there were actually fewer outlets carrying the Mitsubishi cars than when the year began.

For the first time since Chrysler began importing Mitsubishi cars for its dealers, the number of Plymouth dealers handling the Champ and Sapporo exceeded the number of Dodge dealers handling the sister cars.

That catapulted Champ/Sapporo into the leading spot in franchise totals. The No. 2 spot went to Colt/Challenger, followed by Renault, Datsun/Nissan, Toyota, Honda, Subaru, Mazda, Fiat and Audi.

Six months earlier, Mazda was ahead of Subaru in the rankings.

• Twelve import makes either set new records in franchise totals or tied old records. They are Champ/Sapporo, 2,562, up from 2,247 on July 1, 1979; Colt/Challenger, 2,474, up from 2,300 on July 1, 1979; Toyota, 1,095, up from 1,093 on July 1, 1981 and Jan. 1, 1982; Honda, 802, up from 801 on Jan. 1, 1982.

Also, Mercedes-Benz, 410, up from 409 on Jan. 1, 1980, Jan. 1, 1981, July 1, 1981, and Jan. 1, 1982; Porsche, 328, up from 327 on July 1, 1979 and Jan. 1, 1980; BMW, 398, up from 382 on Jan. 1, 1982; Rolls-Royce, 71, up from 67 on July 1, 1979, Jan. 1, 1981 and Jan. 1, 1982.

Also, Ferrari, 47, up from 43 on Jan. 1, 1982; Maserati, 36, tying a record set July 1, 1981; Isuzu, 198, up from 193 on Jan. 1, 1982, and Subaru, 769, up from 759 on Jan. 1, 1982.

All 12 of those record-breakers increased the number of dealerships since the year began. Four other makes did, too: Peugeot, up 5; Saab, up 3 and Volvo and Lotus, each up 1.

• Ten import makes registered losses during the first half. Lancia is no longer imported, meaning a loss of 141 franchises.

The others with losses were Fiat, down 29; Renault, down 19; DeLorean, down 10; Jaguar, down 9; Datsun-Nissan and Alfa Romeo, each down 4; Audi and Mazda, each down 3, and Aston-Martin, down 1.

Toyota had the most single-line dealerships — 699, or 64 percent of all its franchises. It was followed by Datsun/Nissan, with 662 single-line dealerships, for 60 percent of its total.

Other makes that have a strong single-line dealership network are Honda, 386 outlets, for 48 percent of its total; Subaru, 299 outlets, 39 percent; Mazda, 105 outlets, 13 percent; Fiat, 94 outlets, 20 percent; BMW, 85 outlets, 21 percent; Volvo, 84 outlets, 21 percent; Mercedes-Benz, 79 outlets, 19 percent, and Jaguar, 64 outlets, 30 percent.

IMPORT FRANCHISES

	July 1, 1982	Jan. 1, 1982
JAPAN	9,765	9,149
Champ/Sapporo	2,562	2,206
Colt/Challenger	2,474	2,225
Datsun/Nissan	1,101	1,105
Toyota	1,095	1,093
Honda	802	801
Subaru	769	759
Mazda	764	767
Isuzu	198	193
FRANCE	1,660	1,674
Renault	1,328	1,347
Peugeot	332	327
WEST GERMANY	1,561	1,544
Audi	425	428
Mercedes-Benz	410	409
BMW	398	382
Porsche	328	325
SWEDEN	713	709
Volvo	403	402
Saab	310	307
ITALY	679	840
Fiat	470	499
Alfa Romeo	126	130
Ferrari	47	43
Maserati	36	27
Lancia	0	141
UK	655	670
DeLorean	330	340
Jaguar	212	221
Rolls-Royce	71	67
Lotus	29	28
Aston Martin	13	14
MISCELLANEOUS	15	25
TOTAL FRANCHISES	15,048	14,361

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IMPORT OUTLETS

Number of dealerships in U. S. handling imported cars, 1957 to 1982

Jan. 1, 1957	2,930
Jan. 1, 1958	11,409
Jan. 1, 1959	14,031
Jan. 1, 1960	14,674
Jan. 1, 1961	13,135
Jan. 1, 1962	11,894
Jan. 1, 1963	7,138
Jan. 1, 1964	5,249
Jan. 1, 1965	5,856
Jan. 1, 1966	6,013
Jan. 1, 1967	6,588
Jan. 1, 1968	7,156
Jan. 1, 1969	7,869
Jan. 1, 1970	8,311
Jan. 1, 1971	9,860
Jan. 1, 1972	12,375
Jan. 1, 1973	13,332
Jan. 1, 1974	11,246
Jan. 1, 1975	11,489
Jan. 1, 1976	10,414
Jan. 1, 1977	11,387
July 1, 1977	11,566
Jan. 1, 1978	17,374
July 1, 1978	17,700*
Jan. 1, 1979	17,114
Jan. 1, 1980	16,919
Jan. 1, 1981	16,681
Jan. 1, 1982	11,270**
July 1, 1982	11,247

*—Alltime high
**—Revised
VW counted as domestic starting in 1982.

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NEW-CAR OUTLETS

U. S. and Import

	No. of Retail Outlets	Pct. Gain or Loss from Previous Year
Jan. 1, 1957	39,138	n/a
Jan. 1, 1958	39,108	−0.1%
Jan. 1, 1959	37,558	−4.0%
Jan. 1, 1960	36,336	−3.3%
Jan. 1, 1961	34,803	−4.2%
Jan. 1, 1962	33,461	−3.9%
Jan. 1, 1963	33,308	−0.4%
Jan. 1, 1964	33,291	−0.1%
Jan. 1, 1965	33,360	+0.2%
Jan. 1, 1966	33,114	−0.7%
Jan. 1, 1967	31,584	−4.6%
Jan. 1, 1968	31,101	−1.5%
Jan. 1, 1969	31,076	−0.1%
Jan. 1, 1970	30,842	−0.8%
Jan. 1, 1971	30,314	−1.8%
Jan. 1, 1972	30,150	−0.5%
Jan. 1, 1973	30,094	−0.2%
Jan. 1, 1974	29,998	−0.3%
Jan. 1, 1975	29,701	−1.0%
Jan. 1, 1976	29,309	−1.3%
Jan. 1, 1977	27,744	−1.9%
Jan. 1, 1978	28,656	−0.3%
Jan. 1, 1979	28,512	−0.5%
Jan. 1, 1980	27,891	−2.2%
Jan. 1, 1981	26,333	−5.6%
Jan. 1, 1982	25,703	−2.4%
July 1, 1982	25,189	−2.0%

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IMPORTED-CAR RETAIL OUTLETS

	July 1, 1982		Jan. 1, 1982	
Imported cars only				
Exclusives	2,738		2,703	
Duals	1,327		1,320	
		4,065		4,023
Import-domestic duals				
U. S. duals with captive imports	3,665		3,684*	
U. S. duals with other imports	3,517		3,563	
		7,182		7,247
		11,247		11,270*

*Revised.
Captive imports are Dodge—Colt and Challenger, and Plymouth—Champ and Sapporo.

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Concessions win new V-6 for Ford Lima engine plant

LIMA, O. — Ford Motor Co. will build a new V-6 engine for a new generation of front-wheel-drive cars at its Lima plant, according to John A. Betti, vice president, power train and chassis operations.

The plant could build 500,000 engines a year, providing jobs for 800 to 900 Ford hourly workers and about 150 salaried workers. Production could begin in 1985 for the 1986 car.

Betti said production of the engine depends on final approval of the new-car programs which would use the new V-6.

Workers at the Lima plant voted in late July to make work-rule changes to get the job. Ford had also offered the production to the Cleveland Engine Plant No. 2, but workers there voted down work-rule changes in June, forcing Ford "to look for an alternative," a company spokesman said.

"The work-practice changes agreed to by the union, the workers and the plant management are an important step in becoming competitive here in Lima," Betti said.

"But in one sense even more important than the specific changes agreed to and then ratified by the union membership, was the implicit declaration that this plant has joined together as a team to become more productive and, therefore, more competitive.

"It's clear that there is recognition here, that the only way to secure jobs . . . for workers and management alike — is to meet the competition head on."

Workers at Lima agreed to reduce the number of job classifications at the plant. They eliminated the tool and die welders, the gauge makers and the power tool repair classifications by attrition, according to Richard Ward, president, Local 1219. They also voted to combine the shipping and receiving checkers.

Former Texas GM dealer pleads guilty to mail fraud

WICHITA. — Former General Motors dealer Tony D. Moore pleaded guilty to five counts of mail fraud in U. S. District Court here.

The former Washington (Kans.) Chevrolet - Oldsmobile dealer and two former employes of Moore Motor Co. were indicted in May on fraud charges. They were charged with submitting fraudulent loan applications to General Motors Acceptance Corp. for vehicles already on lease contracts, netting more than $9 million.

One of the other employes, Brad Russell, also pleaded guilty to several charges of mail fraud. A sentencing date for Moore and Russell will be set at the end of August following a pre-sentencing investigation. Each mail fraud count carries a maximum penalty of a $1,000 fine and five years in prison.

Several additional counts of mail fraud and bank fraud against Moore and Russell were dropped in exchange for the guilty pleas.

A third co-defendant, Gregory L. Fell, was given a trial continuation. He was indicted on three counts of mail fraud. A court official said the U. S. Attorney's office is considering deferred prosecution with a one-year probationary program.

In 1981, Moore, 32, was sued by GMAC in an 11-count, $86 million suit arising from the fraudulent loan financing.

GMAC and Moore settled the suit in March this year when Moore admitted liability for a $9.7 million judgment and agreed to transfer all physical assets of Moore Motor Co. to GMAC.

The suit originally charged that Moore, his wife, and other associates defrauded GMAC of up to $35 million. Moore Motor Co., despite its rural location, was one of the largest sales volume dealerships in the state.

Its leasing operation, which extended into four states and touched some 20 others, was said to have been one of the 10 largest lease operations in the U. S.

Moore was the third generation to run the dealership founded by his grandfather 50 years ago.

Cleveland import deal sold to 3 employes

CLEVELAND. — One of the oldest import-car dealerships in the Cleveland area is being sold by Lee G. Seidman to three of his employes, Maurice Berlin, Richard Calder and Leon Sheperd.

Sale of Jaguar-Cleveland Volvo BMW, which had sales of $10 million last year, leaves Seidman, 50, with three other dealerships. They are Bedford Toyota-Volvo, Honda Cars of Cleveland and Porsche-Audi Motors. Seidman said sales last year for his outlets totaled $32 million.

Bob Sharp Datsun adds Ferrari franchise

DANBURY, Conn. — Bob Sharp Motors (Datsun) has added a Ferrari franchise.

The dealership sponsors a Datsun racing team with actor Paul Newman as the leading driver.

NHTSA eases rules for reports on fuel economy

WASHINGTON. — Effective immediately, NHTSA has simplified and shortened its semi-annual reporting requirements for vehicle makers on fuel economy. The agency is adopting the changes it proposed earlier because it believes it is no longer necessary to monitor the industry's progress toward greater fuel economy.

NHTSA will, however, continue to evaluate comments on its proposal — even though it has become a final rule — too see if there are other ways to reduce requirements even more.

But NHTSA disagrees with comments from two consumer groups which argued that the agency should continue to set standards for each model year.

One of the consumer groups, the Center for Auto Safety, has sued the government over its failure to set fuel-economy standards beyond those already in place.

Instead, NHTSA accepted the suggestion made by Ford Motor Co. to put the proposal in effect at once while seeking additional ways to lessen the burden on industry.

Cable not taking other media funds

DETROIT.—Contrary to some reports, Cable TV has not cut into any competing media budgets, Detroit ad managers say.

David C. Martin, senior vice president, broadcast media, Campbell-Ewald, summed up the consensus in saying: "Not one dollar (for cable) has come out of any other media budget."

Currently, it ranks near outdoor and direct mail at the low end of the priority list.

U. S. AUTO MARKET OUTLOOK: A COMPOSITE OF CALENDAR YEAR SALES FORECASTS

(IN MILLIONS)

	1982			1983			1984			1985		
	Car	Truck	Total	Car	Truck	Total	Car	Truck	Total	Car	Truck	Total
Davis	8.2	2.5	10.7	9.0	2.7	11.7	10.0	2.9	12.9	10.5	3.0	13.5
Eisenberg	8.1	2.6	10.7	10.0	3.0	13.0	11.0	3.6	14.6	12.0	3.9	15.9
Hammond	8.0	2.5	10.5	9.3	2.6	11.9	10.4	2.9	13.3	10.8	3.2	14.0
Healy	8.2	2.6	10.8	10.2	3.0	13.2	11.6	3.6	15.2	11.6	3.6	15.2
Heinbach	8.0	2.6	10.6	9.5	3.0	12.5	10.5	3.3	13.8	11.5	3.5	15.0
Jouppi	8.0	2.6	10.6	9.1	2.9	12.0	10.2	3.2	13.4	11.5	3.2	14.7
Keller	8.0	2.6	10.6	9.3	2.8	12.1	10.3	3.0	13.3	.....	....	.....
Pochiluk*	8.2	2.3	10.5	9.8	2.8	12.6	11.1	3.2	14.3	11.1	3.1	14.2
COMPOSITE	**8.1**	**2.6**	**10.6**	**9.5**	**2.9**	**12.4**	**10.6**	**3.2**	**13.8**	**11.3**	**3.4**	**14.7**

*Note: The Pochiluk truck number is light trucks only and is not included in the composite. Totals may not add due to rounding.

Legend: Davis: Arthur G. Davis of Prescott, Ball & Turben Inc.; Eisenberg: David Eisenberg of Sanford C. Bernstein & Co. Inc.: Hammond: John Hammond of Data Resources Inc.; Healy: David Healy of Drexel Burnham Lambert Inc.; Heinbach: Harvey Heinbach of Merrill Lynch Pierce Fenner & Smith, Inc. Jouppi: Arvid Jouppi of Arvid Jouppi Associates, Inc. Keller: Maryann Keller of Paine Webber Mitchell Hutchins Inc.; Pochiluk: William R. Pochiluk Jr. of Chase Econometrics Inc.

Arthur G. Davis: "1983 sales could be 9.3 million if GM cuts small car prices a minimum of $500 by December and others follow."

David Eisenberg: "It will be a smooth recovery for cars. It will be a stretch to 10 million in 1982, I think, but our economist is even higher, he sees 10.5 million."

Forecast panel predicts 1983 auto sales upswing

By Edward Lapham
Financial Editor

It has not been a particularly good year for experts who make a living forecasting the auto market.

The stubborn U. S. economy, like an impudent child who refuses to do chores, has not helped. Crystal-ball gazing indeed has become a shadowy, if not hazardous, occupation.

The second annual AUTOMOTIVE NEWS survey of leading market forcasters finds views about the auto industry and its sales outlook relatively bullish, although there are a number of differences of opinion, as might be expected.

In the first survey one year ago (Marketing '82, Aug. 17, 1981) participants all over-estimated the sales outlook because of unforeseen stagnation of the nation's economy and the havoc it has wreaked in the motor trade.

In fact, for the current year, which the panel now forecasts at a composite 8.1 million car and 2.6 million truck sales, the composite view at this time last year was nearly 10.8 million car and 3.1 million truck sales.

Arthur G. Davis, analyst at Prescott, Ball and Turben, by way of his low-ball estimate last year, was closest. However, his 10 million unit car sales forecast likely will be about 25 percent too high. The high-end forecast for 1982 last year was 12.5 million car units by J. D. Power & Associates, which is not included in this year's panel. That forecast undoubtedly will miss the mark by more than 50 percent.

Even with this sort of distressing experience, the panel again has offered its forecasts for the next three years — confident, or perhaps just hopeful, that the U. S. economy will improve before long.

Six of the eight panelists are Wall Street analysts who routinely deal with issues and topics of greater scope than total sales forecasts. Model mix, market shares and a host of financial considerations generally take precedence over generating a straightforward market outlook.

Maryann N. Keller, Paine Webber Mitchell Hutchins, makes it clear she does not believe long-range forecasts are all that accurate or, for that matter, useful.

"Doing a long-range forecast much beyond the current year can be very dangerous because things can change quickly," Keller explains. "It's all too easy to hang yourself after even only a month.

"Forecasting, particularly economic forecasting, assumes that events in the future will happen like they did in the past, and that isn't necessarily true. We are in a period of change," she says.

In looking at 1983, the panel has a car sales range of 9 million to 10.2 million units with Davis again at the low end. David Healy, Drexel Burnham Lambert auto analyst, proposes the high number. The 1983 composite forecast for the entire panel is 9.5 million car sales.

U. S. auto makers themselves have become leery of public forecasting, except perhaps as year-end ritual. However, as a frame of reference for the AUTOMOTIVE NEWS panel, General Motors Vice President and Chevrolet Division General Manager Robert Stempel recently told a group of reporters he expects 1983 car sales to fall within a range from 8.5 to 9.5 million. Ford planners are working with a forecast of about 9.5 million units, AUTOMOTIVE NEWS sources say, while Chrysler Corp. planners are taking a more conservative approach, working with a forecast of about 9 million car sales.

All the forecasters agreed on one very basic tenet: The long over-due car sales recovery depends on a smooth economic recovery, but it is coming.

David Eisenberg, Sanford C. Bernstein & Co., sees a "smooth recovery" for cars in 1983. "It'll be a stretch to 10 million," Eisenberg says. "Our (company) economist is even higher. He sees 10.5 million."

Eisenberg says "trucks have had a pretty nice recovery already" and he expects "gradual" improvement beyond 1982.

Davis, a perennially cautious forecaster, explains his 1983 forecast this way: "1983 sales could be 9.3 million if GM cuts small-car prices a minimum of $500 by December and others follow. If not, it will be a slow recovery with sales of only about 9 million units." Of that total, Davis estimates 6.4 million will be domestics and 2.6 million imports.

William R. Pochiluk Jr., Chase Econometrics, agrees that pricing is important. "A slow recovery has been built-in by the auto manufacturers," Pochiluk suggests. "A robust recovery is not possible because of the manufacturers' desire to get well quickly by improving their margins through price increases. They've been very sick and they need help."

Pochiluk, one of the two econometricians on the panel, has a higher 1983 forecast than Davis, however, at 9.8 million units.

John Hammond, Data Resources Inc., is the other econometrician on the panel. He agrees there will be a cyclical recovery over the next three years, but his outlook for 1983 is slightly different than Pochiluk's.

"The recovery will be more modest than in previous years," says Hammond, who pegs 1983 car sales at 9.3 million units. "Consumer balance sheets are in incredibly good shape, except as impacted by inflation. The question is not if the consumer will be able to come back into the market but if he has the willingness to come back in," he says.

Hammond believes larger domestic models will lead the auto recovery.

Keller's 9.3 million-unit car forecast for 1983 is in line with Hammond's, although her 2.6 million-unit truck forecast is stronger than Hammond's 2.6 million outlook.

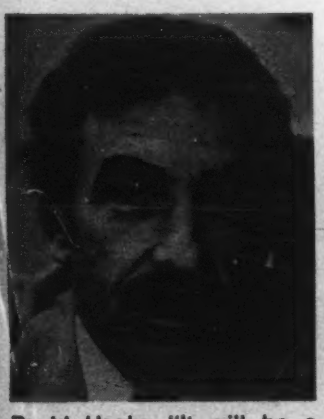
Healy, the high forecaster for 1983 and 1984, is straightforward about his relatively optimistic outlook. "It will be a fairly classical cyclical recovery once it gets started, right through 1985 where there may be a flat spot," he says. "I'm fairly bullish about the prospects for recovery."

While there is general agreement that sales will improve consistently through 1985, Healy's "flat spot" is not a consensus.

Arvid Jouppi, Arvid Jouppi Associates, at 9.1 million units for 1983, is on the conservative side but still optimistic. "The next five-year period, from 1982 to 1986, will be a good period with total U. S. car and truck sales of about 64.4 million units compared with 66.6 million units in the preceding period," Jouppi says. "It will be a flatter cycle but generally up through 1985. There will be a modest down cycle in 1986, but not a precipitous fall."

Harvey E. Heinbach, Merrill Lynch Pierce Fenner & Smith, at 9.5 million car sales for 1983, expresses a slightly different view: "The U. S. car market is near the start of a three-year up-cycle which will continue through 1985, assuming there is a consistent economic recovery. In 1986 it will drop like a rock. We need a significant drop in real interest rates — that's the

Continued on Page E-6



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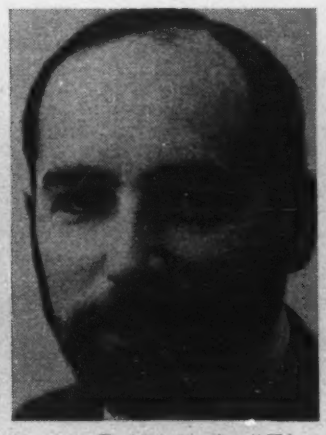

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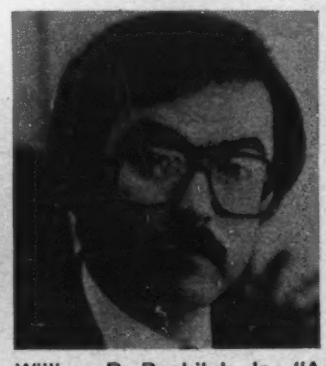
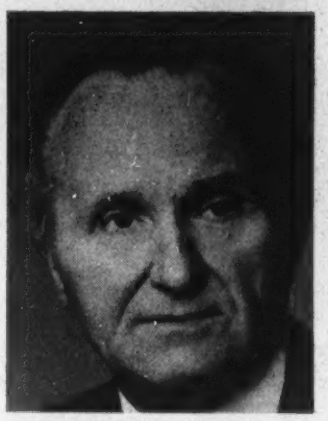


William R. Pochiluk Jr.: "A slow recovery has been built-in by the manufacturers. A robust recovery is not possible because of the manufacturers' desire to get well quickly by improving their margins through price increases."

View from the top

The view from the top of an auto company's marketing organization is far-reaching—scanning sales, advertising and merchandising, as well as marketing. In the following articles, Industry Editor Al Fleming focuses in on that high-level view from the vantage point of five Detroit area-based auto companies and their top marketing/sales executives: General Motors—Robert D. Lund, vice president-sales and marketing staff; Ford Motor Co.—Philip E. Benton Jr., vice president-sales operations, North American Automotive Operations; Chrysler Corp.—John K. Givens, vice president-marketing, sales and marketing group; American Motors—Joseph E. Cappy, vice president-marketing group; Volkswagen of America—Peter Weiher, executive vice president-sales and marketing, and James R. Fuller, vice president, Volkswagen Division.

GM
Robert Lund



Robert Lund

DETROIT.—Problems are opportunities to Robert D. Lund, and General Motors abounds with both as the 1983 model year draws near.

Lund, promoted from general manager of Chevrolet Division to vice president in charge of GM's marketing staff six months ago, hardly has dipped his feet in the corporate waters after years working at the operating level in sales posts, then as general manager of Cadillac and Chevrolet.

From his new position, the renowned super optimist sees things this way as marketing coordinator of the No. 1 auto maker in the world:

• There still is a way to go before Americans gain the confidence to buy cars in numbers that satisfy auto makers. "Overall economic circumstances haven't changed much this year; we still face the problem of generating consumer confidence," he stresses.

• GM has failed to cash in on its huge new-product investments during the 1980s. "It's difficult to understand our not penetrating the marketplace in view of the investment in new vehicles we've brought out," he says.

• The pendulum is swinging toward performance and pizzazz and away from fuel economy. "The automobile business lives a life of cycles. We've swung to fuel economy, now back to performance, and the end result probably will be somewhat of a compromise," he says.

• Trying to outsell Japanese imports by offering fully equipped small cars has proved futile. "I guess the market is just not ready for a fully equipped domestic product," he concedes.

• The auto business ought to return to former marketing practices. "We've got to get out of rebates. They become a habit and the withdrawal pains are severe. Future incentives must be more traditional," he says.

• Lund sees the new-car market improving "in an evolutionary fashion" during 1983. He believes there is a demand for new cars, but conditions still are lacking for a boom. "Put together general economic improvement, lower interest rates, decreased inflation and consumer confidence — all the things we've been talking about for two years—and you'll see Americans buying cars in substantially greater numbers," he says. "There really is such a thing as pent-up demand."

According to Lund, GM has not fully capitalized on new products, even though it has gained a percentage point in the market since last year from about 43.5 to 44.5 percent of the new-car market. "That isn't sufficient growth in view of the new vehicles we've brought out," he says.

He refers to a new compact J-car, midsize A-car, sporty F-car, S-line of compact trucks, and several new engines and transmissions. "Those things should certainly have secured greater penetration. It's disappointing," Lund says.

He also is ready to concede that fuel economy is giving way to performance as a sales lure: "Fuel economy is a given today, people expect and get it. A whole generation of people have never owned a convertible, and since the price of gas has stabilized, a lot of buyers are straining at the bit for performance."

On hindsight, he says, overemphasis on fuel economy and under-emphasis on performance hurt the J-car introduction; but the car was a victim of circumstances. "Fuel economy was an absolute must when the J-car was conceived," he says. "By the time of development, we chose economy, which was the right choice. Now the cycle is changing and people want pizzazz, performance, appearance, excitement. The auto industry is basically a fun business, and we lost sight of that for a time."

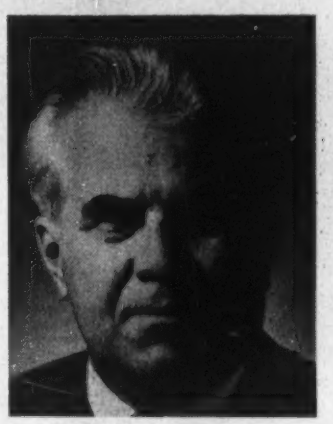
GM came out with equipment-packed J-cars, Lund says, because research proved the Japanese were using the strategy to outsell domestic products. "We thought we could fight fire with fire," Lund says, "but the market changed, and our cars had more equipment than the public wanted. The odd thing is, Americans will buy J-cars and put optional equipment on them; yet they won't buy them standard equipped, even for less money.

"In '83 we'll take a middle of the road policy, give them such things as automatic transmissions, but not window defoggers."

Lund indicates there will be no rebates for new cars in 1983. "Consumers and car dealers constantly wait for the next rebate program, which causes a push-pull effect that's unhealthy and doesn't let normal market forces work," Lund says. "We just have to get out of them."

Instead, he says, GM plans to provide dealers with tried-and-true things such as model-clean-up incentives. "Incentives from manufacturer to dealer work," he says. "Incentives from manufacturer to consumer are not sound merchandising practice."

Ford
Philip Benton



Philip Benton

DEARBORN. — If there is an uplift in the general U. S. economy in 1983, and if the auto market rises with it, the guys at the Glass House here think it couldn't happen at a better time.

The reason: They're in the midst of the biggest new product launch in Ford Motor Co. history, and figure they've got the vehicles to satisfy just about any customer from high-mileage advocates to performance buffs.

That puts Philip E. Benton Jr. right on the hot spot because, as vice president-sales operations, it's his main responsibility to help sell Ford, Mercury and Lincoln products in 1983.

How well he knows.

"For 1983 Ford Motor Co. will have an extraordinarily broad and exciting range of products," Benton says. "You can never give marketers enough new products, but in the year ahead the engineers have come closer than in any year I can recall."

Looking back over his shoulder at three slumping sales seasons in a row for the auto industry, including Ford, he adds: "We need everything the market may demand and there's no escaping that elemental fact. Short term we can market our way through product holes with traditional devices such as advertising, rebates and incentives, but long term the only answer is having the right products."

One of the right products the company has going for it in '83 is Ford Division's Escort, America's best selling car at the moment, and its counterpart Mercury Lynx, Lincoln-Mercury Division's best selling car throughout the '82 model year.

But it's the all-new goodies coming along in the '83 model year that have Benton chomping at the bit. They include a Mustang convertible, a Thunderbird wrapped in a dramatic new envelope, a smaller-size LTD, a bubbleback Mercury Capri, a dramatic Mercury Cougar midsize personal luxury car, an aerodynamically styled Mercury Marquis and lots of new engine, transmission and electronic offerings.

Of all the products, LTD/Marquis and Thunderbird/Cougar well may be the keys to Ford Motor Co.'s success, or failure, in the '83 model period.

Industrywide, large cars are in what's believed to be a short-term period of growth that is offsetting their sharp declines during the fuel-price surge of 1979 and 1980. The question is: How long will people keep buying large cars?

For '83 Ford Motor Co. has elected to build family size cars in two distinct sizes, the new LTD/Marquis and the continued larger Crown Victoria and Grand Marquis.

Benton calls it "bridging the market uncertainty."

The midsize specialty segment of the market, where Thunderbird and Cougar reside, has not received an influx of new products recently. As a result, Benton sees his all-new entries "moving into a segment that's open to and responsive to new designs and sheet metal" in 1983.

Ford marketing strategists have firm ideas about long-term car-size trends. They see three basic patterns: (1) A long-term decline in the large and luxury market. (2) Occasional short-term corrections in the slide of large and luxury cars following excessive short-term fuel-availability and fuel-cost-based declines. (3) Stronger offsetting gains in small cars than in mid-size cars, with smalls overtaking midsize.

Beyond that is the really big question: Has the U. S. new-car market itself reached a saturation point, and has the nation seen the last of its 10-million-unit sales years?

Ford analysts point out that U. S. automotive sales follow short-term cyclical patterns that constantly show upturns following declines caused by depressions, recessions and wars. Combined car and truck sales in 1932 declined 75 percent from the 1929 peak, and the 1958 recession brought a 36 percent decline, yet both were followed by record sales. In 1981 sales were down 30 percent from the 15.4 million cars and trucks sold in 1978, and the recovery still hasn't come.

Benton observes that subsequent recoveries always have exceeded declines, and the trend moves upward: "Today's circumstances — a soft economy, high unemployment, an aging transportation fleet and low consumer purchase rates—are not unprecedented. They're circumstances that have preceded previous upturns in auto sales."

Chrysler
John Givens

HIGHLAND PARK, Mich. — Several years ago Chrysler shaped a product and marketing plan designed to build a new kind of company and product image.

Phase one was introduction of the subcompact Plymouth Horizon and Dodge Omni. Phase two was launch of the K-car, the front-wheel-drive Plymouth Reliant and Dodge Aries. Phase three was debut of Chrysler LeBaron and Dodge 400 front-drive midsize cars.

Phase four comes in the '83 model year with arrival of an E series called Chrysler E-Class and Dodge 600 and 600 ES, fullsize front-drive cars.

"It's all part of our drive for front-wheel leadership," says John K. Givens, vice president-marketing for the corporation. "We also set our sights on leadership in quality, fuel economy and value for the money.

"For '83 our platform will be, 'at Chrysler you get more for your money,' and this will be emphasized in the way we present our cars to the public," he says.

For instance, the '82 Horizon and Omni Miser will be replaced by a car with over $600 in added equipment at very close to the same price as the '82 Miser.

Emphasizes Givens: "In '83 and into the future our marketing platform will be founded on providing cars that offer more value."

He says "Quality engineered to be the best" will be the corporate advertising statement in '83, with each individual brand supporting this position in its own way.

Plymouth brands will offer "Engineered in value" and "The American way to get your money's worth."

Dodge cars will feature "Driving excellence engineered in."

Chrysler brand cars' posture is "Quality and luxury engineered in."

"We're emphasizing the same message on quality and value in our truck marketing programs," Givens says.

"We believe our value for the money position is as good as anyone's, and it will improve significantly in 1983."

The Chrysler official thinks the company has hit the public hot button with its LeBaron and

Continued on Page E-8

Forecast

Continued from Page E-4

biggest caveat."

In the 1984 forecast category, Davis again is low with 10 million cars and 2.9 million trucks, although Jouppi with 10.2 million cars and Hammond with 2.91 million trucks are close. Healy's high number of 11.6 million cars is unmatched, although his 3.6 million truck forecast is equaled by Eisenberg.

The panel composite for 1984 is 10.6 million cars and 3.2 million trucks.

For 1985 Davis stands alone at the low end with 10.5 million cars and 3 million trucks, while Eisenberg's 12 million cars and 3.9 million trucks are by far the highest prognostication for the entire forecast period.

The panel composite for 1985 is 11.3 million cars and 3.4 million trucks.

Keller finally draws the forecast line at 1985. She politely, but firmly, declines to speculate about anything that far over the horizon.

On balance, the panel is optimistic about the future; by 1982 standards, even the lowest forecasts seem bountiful in contrast to current depression-level sales.

Other factors obviously are important, such as what share of total sales will be accounted for by domestic production, how big will the small-car market be and what it all means to that impetuously squirmy trend line which seems to have crawled down the sales page the last few years.

Still, the composite forecast, which reflects an expert consensus about the future, is pretty good.

But then, it was last year too, and that composite forecast for 1982 will miss reality by about 33 percent.

Chevrolet: Media experimentation

By Al Fleming
Industry Editor

Thomas Staudt, general marketing manager of General Motors' Chevrolet Division, the nation's No. 1 seller of cars, is hopped up about advertising costs as marketing plans jell for a new model year. He says, "There is an intense need for greater marketing productivity in our business, and an especially desperate need for mass media to contribute in an all-out effort to avoid further cost escalation."

He adds: "We're unhappy with their (the media's) performance."

As a result, Staudt says Chevrolet is "experimenting with different media in the hope that greater competition will lead to cost reduction."

A victim of that experiment in the '83 model year will be Chevrolet radio sponsorship of Dallas Cowboys football. After nine years of sponsoring "America's team," Chevy is pulling out this fall, Staudt says, "because costs got so far out of line we couldn't justify it."

He calls it "regrettable" because Cowboys broadcasts have been an integral part of Chevy truck market development in the southwest.

"Sports franchises (sponsorship) are becoming a difficult problem for us and the networks because of spiraling costs and fees," he says.

There will not be a radical shift in Chevy's media mix in 1983, although there will be greater use of cable/satellite television. Staudt says, "Cable is becoming a growing media influence, and we want first-hand experience in it. We took a leadership position in (Ted) Turner's cable network with college football. We see more use of cable TV in the future."

A workman puts the finishing touch on Chevrolet's "Pro Football Hall of Fame," a traveling showcase that spotlights pro football's greatest players, personalities and performances. First stop is at the Canton, O., 1982 Professional Football Hall of Fame Festival in August. Six displays will carry a sampling of exhibits from Canton's Pro Football Hall of Fame to more than six million shoppers at 100 shopping malls nationwide during the next seven months.

In marketing plans for the coming year, Staudt says, the division is trending away from "scatter" TV programming and is rifling in on media use.

"We'll go for more sponsorship positions and fewer participations, to increase our market presence," Staudt says. That begins in mid-August with TV sponsorship of world championship women's golf. "It's a premier women's sporting event; we're interested in the women's market and want to do substantially more in it."

That does not mean Chevrolet necessarily will leap headlong into women's media. "It's more than media selection," Staudt says. "Our ads aren't slanted toward females; they're straight-forward product messages.

"Besides that, we're stepping up dealer training and merchandising efforts related to women buyers."

Staudt says Chevrolet in '83 will continue sponsorship of Monday Night Football and Baseball (including playoffs), NBC and CBS basketball (including the NCAA playoffs), and will add sponsorships on NBC and CBS pro football on Sunday and prime time Saturday afternoon and college evening football (a total of 35 games) plus Saturday night college football and PBA bowling on cable TV.

In TV sports sponsorship, Staudt says, Chevrolet will have "four to six commercials per game, for more tightly controlled positions."

Most Chevrolet '83 lines will be introduced to the public Sept. 23, with ads and commercials breaking the preceding Saturday (Sept. 18). Exceptions are Camaro which bows later in the fall and Corvette which arrives early in calendar year '83.

"Also, a Cavalier convertible will come later in the model year," Staudt says, "and is expected to create a lot of excitement and build showroom traffic."

Line for line, the division will stick closely to the images it has been trying to project for its various car models. These are:

Caprice—Fullsize room and comfort in gas or diesel; America's fullsize favorite.

Cavalier—A popular compact size in a wide range of models.

Citation—The most popular front-wheel-drive midsize car.

Camaro—Sporty car continuing a very successful season.

Celebrity—Contemporary size, design, technology and fuel economy, gas or diesel.

Chevette—Subcompact with toughness in an economical package, gas or diesel.

Malibu—Intermediate rear-wheel-drive; practical family transportation.

Monte Carlo—Midsize personal car, elegant, economical.

Chevy will introduce a new line of four-wheel-drive S-10 compact pickups and Blazers this fall, and an extended-cab version in the S line. Says Staudt: "Our truck story is heavy on powertrains, new diesel engine applications, new uses of four- and five-speed manual, and four-speed overdrive automatic transmissions, and new S-10 four-by-fours."

Let your fingers . . .

TROY, Mich. — National advertising by five domestic auto companies in Yellow Pages will run about $24 million for 1983, according to the National Yellow Pages Services Assn.

General Motors and its various divisions are spending about $10 million in Yellow Pages ads. (This does not include dealer spending).

Ford Motor's total outlays are about $6.5-$7.0 million, according to Frederick Smykla, executive director of the National Yellow Pages Services Assn.

Again, Chrysler and its divisions are spending close to $4 million; American Motors (including Jeep and Renault) about $2 million and Volkswagen of America (including Porsche / Audi) about $800,000.

Companies are getting more emphasis in ads, with heavier use of display ads and with different color print, Smykla says.

Factory ad spending: Less bang for buck

By Joseph Bohn
Marketing Editor

Domestic auto companies continued to advertise heavily in 1981, even though they did not get quite the "bang for the buck" that they used to.

Generally, spending was at record levels, according to Advertising Age, as various divisions fought for greater share of an overall smaller market.

However larger each company's bottom-line budget, the actual outlays aren't easily measurable.

Ford Motor and Chrysler Corp., for example, showed fewer expenditures on a division-by-division basis for 1981, even though their overall corporate ad budgets were higher.

This is due partially to more money being funneled into their dealer association co-op matching fund and special market support programs. More money, too, is being chewed up these days in production costs which aren't directly measurable.

Overall, General Motors, Ford Motor Co., Chrysler Corp., and American Motors spent $83,652,446 more for advertising in 1981 than the previous year, Advertising Age estimates.

Industry spending totaled $774,253,009 against $710,600,563 in 1980.

GM spent $335,075,800 against $316,000,000 in 1980, Ford spent $264,175,700 against $243,841,600 in 1980. Chrysler spent $174,500,000 against $150,300,000. American Motors spent $50,150,900 against $45,896,300.

Among car divisions, Chevrolet, Ford, Lincoln-Mercury, Chrysler-Plymouth and Dodge, showed cutbacks in measured expenditures last year.

Buick, Cadillac, Olds, Pontiac, GMC and AMC all were up.

Generally, the total of measurable expenditures for the different vehicle divisions (including a corporate effort at Chrysler) was down to $643,595,200, from $665,177,400 in 1980.

Network TV, followed by magazines, continued to dominate as the industry's primary media.

Newspaper, spot TV and spot radio also figured heavily into industry spending, occasioned by a great deal of sudden and short-term promotions such as rebates, which went on.

Network radio and outdoor garnered more modest shares of Detroit's overall budgets.

Local Advertising by Franchised New Car Dealers
(Millions of dollars)

By Type of Advertising	1981	1980
New Vehicle	$ 668	$ 580
Used Vehicle	409	336
Institutional	136	116
Service	150	128
Total	$1,363	$1,160

Source: NADA.

Local Advertising by Franchised New Car Dealers
(Millions of dollars)

By media used	1981	1980
Newspaper (Classified)	$ 409	$ 349
Newspaper (Display)	355	303
Radio	345	262
TV	102	79
Direct Mail	68	75
Outdoor (billboard, signs)	31	34
Programs (theatre, sports, etc.)	14	16
Handouts or handbills	7	7
Display and demonstrations	18	20
Other	14	15
Total	$1,363	$1,160

Source: NADA.

1981 Local Advertising by Franchised New Car Dealers
(Millions of dollars)

	Average of All Dealers	1-149	150-399	400-749	750 or more
New Vehicle	$25,540	$ 5,010	$15,360	$35,970	$100,170
Used Vehicle	15,640	3,270	9,920	21,160	52,920
Institutional	5,210	1,310	3,200	6,340	15,120
Service	5,730	1,300	3,520	7,050	20,790
TOTAL	$52,120	$10,890	$32,000	$70,520	$189,000

Source: NADA.

1981 FACTORY AD EXPENDITURES FOR CARS, TRUCKS IN U. S.
(IN THOUSANDS OF DOLLARS)

	Newspapers	Magazines	Network TV	Spot TV	Network Radio	Spot Radio	Outdoor	Other	1981 Total	1980 Total
Buick	12,248.9	5,941.8	15,989.8	967.7	994.3	259.0	265.0	.....	36,666.5	35,576.5
Cadillac	4,781.7	6,212.1	6,012.0	1,587.5	.....	1,052.0	.....	.....	19,645.3	14,193.4
Chev. Car & Truck	25,480.3	20,849.4	59,239.1	3,295.3	117.4	15,367.0	3,196.7	.....	127,545.2	127,985.5
Oldsmobile	12,772.9	8,778.2	12,005.1	2,810.3	433.8	3,160.0	75.7	.....	39,936.0	35,449.1
Pontiac	9,825.3	4,763.4	24,689.5	4,704.1	893.4	129.0	46.9	.....	45,051.6	33,207.0
GMC	262.2	2,577.8	3,671.5	77.6	.....	933.5	188.9	.....	7,711.5	3,374.4
Total GM*	65,371.3	48,122.7	121,607.0	13,442.5	2,438.9	20,900.5	3,773.2	.....	275,656.1	249,785.9
Ford Car & Truck	9,673.7	32,651.3	67,873.3	12,577.2	1,329.7	.....	1,031.1	.....	125,136.3	147,670.6
Lincoln-Mercury	4,702.4	14,483.2	27,934.1	7,893.2	334.7	.....	141.1	.....	55,488.7	71,524.6
Total Ford**	14,376.1	47,134.5	95,807.4	20,470.4	1,664.4	.....	1,172.2	.....	180,625.0	219,195.2
Chrysler-Plymouth	2,170.0	11,700.0	23,470.0	7,890.0	80.0	1,460.0	800.0	6,200.0	53,770.0	54,300.0
Dodge Car & Truck	3,030.0	12,200.0	23,130.0	11,510.0	350.0	6,410.0	.....	6,200.0	62,830.0	56,200.0
Chrysler Corporate	9,700.0	3,700.0	23,000.0	7,100.0	770.0	13,630.0	.....	.....	57,900.0	39,800.0
Total Chrysler	14,900.0	27,600.0	69,600.0	26,500.0	1,200.0	21,500.0	800.0	12,400.0	174,500.0	150,300.0
AMC	5,223.1	14,943.6	10,058.1	19,676.8	13.0	236.3	.....	.....	50,150.9	45,896.3
Industry Total	99,870.5	137,800.8	297,072.5	80,089.7	5,316.3	42,636.8	5,745.4	12,400.0	680,932.0	665,177.4

*—GM's total expenditures in 1981 were $335,075,800, according to Advertising Age, against $316,000,000 in 1980. However, these included $9.5 million for AC Delco, plus a variety of other measured and non-measured advertising/merchandising expenditures.

**—Ford Motor's total expenditures were $264,175,000, according to Ad Age, against $243,841,600 in 1980. They include corporate advertising, and a variety of measured and unmeasured expenditures.

Mixed bag of ad spending by importers

By Joseph Bohn
Marketing Editor

Import-vehicle advertising spending was mixed last year, with some companies boosting budgets modestly as others cut back.

Toyota and Datsun continued to spend big, with more money put behind the truck side of their operations to protect against encroachments from Detroit in the small-pickup market.

If there was any spending zest by the Japanese, it was on the pickup side. They are under voluntary restriction in car sales and contained spending there.

Toyota topped the list of import ad spenders in 1981 with outlays of $91,186,700, according to ADVERTISING AGE. That was up from $85,128,000 in 1980.

Nissan also was up, but just barely. The No. 2 importer spent $68,884,100, up from a previous $67,365,700 in 1980.

By contrast, Mazda was off sharply. It spent a reported $25,648,400, according to ADVERTISING AGE, down from $39,116,000 in 1980. Company officials reported putting more money behind truck models, however.

Honda was up again, but not by much. It spent a reported $23,149,900, up from $22,286,000 in 1980, according to Joseph Haight, ad manager.

Honda's total spending was considerably more, however, if dealer support spending, ad production costs and miscellaneous such as Yellow Pages are factored in.

Its total expenditures for 1981 were $26,737,200, including $209,600 for yellow pages and $3,377,700 for ad production costs. In 1980 it spent some $7.6 million for dealer support which figures in the accompanying table do not include.

In 1982 Honda expects to spend $27,176,000, including $14,835,000 for spot and network TV, $9,030,000 for magazine, $264,000 for spot radio, $764,000 for newspaper, $150,000 for Yellow Pages and $2,133,000 for ad production costs. Dealer support is not included in these numbers.

"We keep it simple," notes Haight, punning on the company's ad theme, and indicating no great shift in media or change of strategy for this year.

The only importer showing large year-to-year increases is Isuzu, still a relative newcomer.

Isuzu spent $9.8 million for advertising and promotion ($600,000 for the latter), according to Fritz Kern, corporate marketing services manager, American Isuzu Motors.

Of the $9.2 million it spent advertising, $6 million was for direct media and $3.2 million for production and dealer support, such as Yellow Pages.

Kern says in 1982 Isuzu will spend $10.6 million, with $8.5 million in direct advertising and $2.1 million in production and dealer support.

The 1982 budget includes $5.4 million for spot TV, $2.8 million for magazines and $300,000 for newspaper.

A lot of the increases for 1982 had to do with Isuzu shifting from a regional marketer of trucks to a national marketer.

It is just establishing a Northeastern retail distributorship, and expects to be selling trucks in 49 of 50 states (Alaska is excluded) by November.

Car retail will continue being limited to 22 states, Kern adds.

Like many Japanese firms, Isuzu turned up the dial on truck advertising. "We went from a 70/30 car versus truck emphasis to 60/40," Kern says.

"It seems to have paid off. Our share of the non-captive compact truck market increased substantially," during March/July. He adds.

On the European side, Volvo, for one, continued to go along at a modest, steady pace.

High-demographic, luxury-type marketers such as Volvo and Mercedes use more vertical publication print where they can reach narrow, specific audiences, thus saving themselves the considerable cost of TV which higher-volume marketers are forced to choose.

Volvo spent some $11 million in 1981, according to industry sources, up from $10.5 million the previous year.

Mercedes-Benz's budget is now split, with truck marketing operations relocated apart from its car marketing headquarters.

1981 DIRECT MEDIA AD EXPENDITURES BY MAJOR IMPORTERS

(IN THOUSANDS OF DOLLARS)

	Magazine	Net. TV	Spot TV	Newspaper	Spot radio	Net. radio	Outdoor	1981	1980
Toyota	$10,100.5	$25,550.1	$38,616.4	$11,229.1	$3,765.1	$150.4	$1,775.1	$91,186.7	$85,128.0
Volkswagen	24,473.5	21,225.1	13,148.4	8,982.8	605.9	.....	543.0	68,978.7	70,720.3
Nissan	9,827.2	21,605.1	20,006.2	8,824.0	7,666.8	.....	954.8	68,884.1	67,365.7
Mazda	6,728.8	16,410.0	914.2	1,347.1	82.7	.....	155.6	25,648.4	39,116.0
Honda	9,770.1	12,677.5	.....	574.6	127.7	.....	.....	23,149.9	22,286.0
Subaru	4,000.0	10,500.0	4,000.0	500.0	.....	.....	.....	19,000.0	18,000.0
Volvo	5,500.0	.....	2,700.0	2,300.0	500.0	.....	.....	11,000.0	10,500.0
Isuzu	2,100.0	.....	3,500.0	200.0	200.00	.....	.....	6,000.0	.....

Honda's total car expenditures were $26,737,200, including $209,600 for Yellow Pages ads and $3,377,700 for ad production costs. Dollar amounts are exact, based on direct company reports.

Toyota, Volkswagen, Nissan and Mazda amounts are based on Advertising Age compilations. Subaru and Volvo are Automotive News estimates, based on industry sources.

Isuzu numbers is based on direct factory reports. Isuzu spent $9.8 million in total, including $600,000 for promotion and $3.2 million for production and dealer support such as Yellow Pages.

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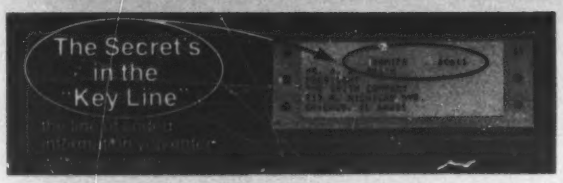

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What's the Golden State market really like?

By Matt DeLorenzo
Los Angeles Reporter

"More than just size and geography, California is a state of mind . . ."—Donald E. Petersen, president, Ford Motor Co., speaking before the San Francisco Rotary Club, July 27, 1982.

LOS ANGELES. — The California dream conjures up images of sun-drenched beaches populated by tanned, blond youths who drive imported convertibles.

Although an appealing image —except, perhaps, to domestic car builders—it isn't representative of the lives or car buying habits of Californians.

For many years, auto industry analysts have looked at California as a trendsetter. Although it's true that many new ideas start here, the way cars are used and the reasons people buy them aren't much different than anywhere else in the country.

In a 1980 study of the California market by J.D. Power & Associates, the Westlake Village, Calif., marketing research firm concluded, "Our research indicates that many of the differences that do exist (between California and the rest of the country) are the result of geographical and economic factors rather than a difference in the fundamental nature of the consumers themselves."

The study further pointed out that while there may be demographic differences between consumers in California and consumers elsewhere, these differences are not as great as imagined.

Other findings in the Power study:

- Californians are slightly younger and more likely to have attended college than the typical American.
- Their median income is 15 percent higher than the U. S. average, although the higher cost of living in California tends to act as an equalizer in real purchasing power.
- Their driving habits are very similar to the rest of the country.
- Due primarily to more favorable climatic conditions, Californians tend to keep their cars longer and, as a result, are less likely to be in the new or used car market as frequently as the average American.
- Californians own about the same number of cars as the U. S. average, approximately 540 cars per 1,000 population.
- Family size is slightly smaller in California than in the total U. S.

If Golden State demographics and vehicle use patterns are so similar to the rest of the country, why is the auto industry seemingly preoccupied with California and its importance to marketing strategy?

"One reason is its size," Donald E. Petersen, president of Ford Motor Company, pointed out in a recent speech before the San Francisco Rotary Club. "Within the nearly 160,000 square miles of the country's most populous state are three of the largest car and truck markets in North America — San Francisco, Los Angeles and San Diego. Nearly 17 million of the estimated 160 million cars and trucks on American roads today are registered in California. And in 1981 over 10 percent of all new cars and trucks registered nationally bore a California license plate."

The state's sheer size and diversity lead one marketing executive to refer to California as a country rather than a state—a country that is in essence a microcosm of the total U. S. market.

That microcosm is the result of the high proportion of Californians who have moved to the state from other areas of the U. S., bringing their buying habits and tastes with them.

Even though they retain certain purchasing traits developed elsewhere, these Californians are a bit different than the neighbors they left behind. "Attitudinally, they are different," declares J. David Power Jr., president of Power & Associates. "They picked up stakes and moved out here. As a result, they are more receptive to change and new ideas."

Ford's Petersen agrees: "To me—and to Ford Motor Co.—California represents an openness to new ideas, a willingness to try fresh approaches, a spontaneity and a generosity of spirit—even a little healthy irreverence.

"We also realize that California is a mirror of the future," Petersen says, "a bellwether state for the nation as a whole."

It is the nature of the California market—the willingness to accept change—that makes it important for auto manufacturers to read California as a barometer of what is to come for the U. S. as a whole.

The success of imports in California is a classic example. "Historically, California has led in import car penetration by roughly two to one compared to the total U. S.," the Power California study reported. "For Japanese imports, which have captured roughly 70 percent of California's import market share, California has proved to be the ideal beachhead for further import car penetration in the U. S."

CALIFORNIA SCENE

Types of Principal Vehicles Owned

	U. S.	Calif.
2-door car	40%	42%
4-door car	29%	23%
Pickup truck	12%	14%
Station wagon	11%	12%
Sports car	2%	4%
Other	6%	4%

Source: J. D. Power & Associates.

Household Vehicles

	U. S.	Calif.
Passenger car	61%	55%
Pickup truck	14%	15%
Station wagon	11%	11%
Sports car	3%	4%
Van/bus	3%	4%
4x4/sports utility	2%	3%
Motorcycle	3%	5%
Other	3%	3%

Source: J. D. Power & Associates.

"We should have seen it coming," admits Petersen. "We should have been watching what was happening in California." He notes that in 1965 imports held 6 percent of the U. S. car market, but in California the number was 12 percent. Last year imports took 48 percent of the California market, while increasing their total U. S. penetration to 27 percent.

"One can't argue with results," Petersen says. "In 1965 the domestic producers cornered roughly 90 percent of the California car market. Today we're sharing half of it with the imports."

While domestic manufacturers have a long way to go to win back market share from imports in California, the car companies are closely monitoring the buying preferences of the state's consumers in order to gain an advantage over their competitors and to avoid being aced out of the new or emerging market segments.

As shown in accompanying charts from the Power survey, the model mix of principal cars owned by Californians is wider than that of the total U. S. Californians prefer more two-door and sporty-type vehicles compared to the average U. S. owner, and are skewed slightly more towards pickup and utility vehicles.

In their household fleets, Californians own a wider variety of vehicles, with more emphasis on sports and recreational models than the average U. S. household.

The response to California's, and eventually the nation's shift to more specialized vehicles is evident in offerings by both importers and domestic manufacturers.

American Honda is heavily promoting its ATC (all-terrain cycle), Toyota is readying a four-wheel-drive small wagon and all import companies are pushing small trucks. Minivans are on the horizon from both import and domestic makers.

Among domestic producers, Ford Motor Co.'s Ranger and General Motors' S-10/S-15 small trucks are responses to the success of little import pickups which have sold very well in California. Chrysler Corp.'s Dodge Rampage, a downsized, front-wheel drive version of the Ford Ranchero/Chevrolet El Camino sporty truck genre, was developed as a prototype in California and has done well in all markets.

Domestic manufacturers not only are responding with new models, but are putting product features Californians prefer incorporated into traditional car lines.

The Power study found that California consumers give higher importance ratings to advanced engineering and horsepower/performance when compared to the total U. S. market. They also express greater interest in electronic fuel injection, diesels and turbocharged engines.

In talking about Ford's 1983 model lineup, Petersen says the new cars will combine performance, exciting hardware, style and function.

"They will feature fuel injection, turbocharging, five-speed transmissions, anatomic seating and superior instrumentation," Petersen said during his West Coast visit. "The aim: To capture the upscale, discriminating buyer who wants driving to be an exhilarating experience. They will be high-tech and dramatic, and they will make a clearly defined statement about the people who drive them."

- If California is a precursor of what is going to happen across the U. S., a look at this year's January-May sales pattern may give a hint of things to come. During that period almost 11 percent of all cars sold in the U. S. were sold in California.

According to an analyst using R. L. Polk data, small cars (subcompact and small sporty cars) took 53.4 percent of the market in California compared to 43.5 percent nationally. Both basic small and small sporty were significantly higher than the national average with small sporty models, such as Ford's EXP/LN7 and Chrysler's 024/TC3, taking more than 19 percent of total sales.

In midsize and large segments, California lags behind the national average 32.4 to 39 percent and 4.2 to 10.4 percent, respectively. However, in the luxury car category, California led the nation, 10 percent to 7.1 percent.

Clearly, the trend is toward smaller, sportier cars, and products recently or about to be introduced reflect those findings.

While imports continue to hold an impressive share of the California market, domestic makers may choose to gauge the success of their products by their performance in California.

According to a Ford analyst, the company's 13.4 California share equates to 80 percent of its national 16.8 percent market share.

GM's ratio is 70 percent with a 31.5 percent California share, and 44.7 percent national. Chrysler's 6 percent California and 9.9 percent national share figures out to a 61 percent ratio. American Motors has .6 percent of the California market compared to 1.3 percent nationally for a 46 percent ratio.

Imports, on the other hand, do 176 percent better in California than in the rest of the country, with 50.2 percent here compared to 28.5 percent nationally.

"It is fair to say that we look at California as our 'golden gate' to future successes in the U. S. market," Petersen said during his San Francisco speech. "The lessons of the past couple of decades have painted a very clear picture: To compete successfully in the U. S. market, a company — and its products — must score significant successes on California soil."

Put more succinctly by a Ford analyst: "California only gets 10 percent of the market, but it gets more than 10 percent of the attention."

The Orange County Register, one of California's largest newspapers, launched Operation Cleansweep, a six-week campaign to promote sales of new cars in conjunction with the Motor Car Dealers Assn. of Orange County. Joe MacPherson, president of the dealer group, and Howard Grothe, vice president—sales for the Register, look over promotional materials.

Al Wagner, right, Chrysler's San Francisco zone manager, cautions Ed Barwick, Barwick Chrysler-Plymouth, Napa, before he drives a peppy new Plymouth Turismo 2.2 around Sears Point International Raceway with Bernie Storc, standing left of car. Awaiting their turns to drive are, from left: Ron and Bert Barber, Barber Chrysler-Plymouth, Vallejo, and Gary Berger, general manager, Mike Harvey Chrysler-Plymouth, Burlingame. The special driving seminar at the Sonoma racing facility was sponsored by the zone.